

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Thursday, October 13, 2016

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 1:00 p.m. at Purdue University, 128 Memorial Mall, West Lafayette, IN with Chairman Dan Peterson presiding.

ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Gerald Bepko, Dennis Bland, John Conant, Jon Costas, Susana Duarte De Suarez, Lisa Hershman, Chris LaMothe, Mika Mosier, Chris Murphy, Dan Peterson, John Popp and Caren Whitehouse.

Members Absent: Jud Fisher and Allan Hubbard

CHAIR'S REPORT

Chairman Peterson began his report stating on behalf of the Commission, I would like to thank Purdue University for providing us with a tour of campus and your hospitality last evening, and give a special thank you to the Purdue Board of Trustees for joining us for breakfast this morning. We appreciate Purdue University hosting our meetings this week, particularly during your homecoming events.

Last month we announced that the Student Advocates Conference will take place again this year on December 1-2 in Indianapolis. Registration for that event is now available on the Commission's website, and the Commission is accepting proposals for breakout sessions and will begin the review process on Friday, October 14th; this process will continue until all session times are filled.

Additionally, please save the date for the 2017 H. Kent Weldon Conference for Higher Education, scheduled for April 4th next year. The conference will be held at the Marriott North, as it has been in recent years.

COMMISSIONER'S REPORT

Commissioner Lubbers began her report stating, I want to begin by sharing with you more good news about our former Chair, Dennis Bland. On September 17th, he was honored at "A Salute to African American Men" as one of four honorees for the inaugural event. Founded in Cincinnati in 2010, the event honors the accomplishments of African American men who have succeeded against all odds and achieved special greatness. Each honoree received a grant from The Men of Honor Foundation to designate to an organization of his choice. Dennis selected Young Men, Inc. – led by

Reverend Malachi Walker, as the recipient of his grant. Congratulations, Dennis, on this most recent honor.

As you will recall, the Commission was charged by the Legislature with developing and marketing a campaign to recruit high performing students into the teaching profession – the Next Generation Teacher Scholarship. Speaker of the House, Brian Bosma, authored the bill and it received broad bipartisan support. Josh Garrison of our office has overseen the work, and we are very excited about the design of the program and its potential to both inspire prospective teachers while also lifting up the value and prestige of the profession. The video – which we’re going to show you – has had 22,000 views on YouTube in less than a week. Television, radio and digital ads will be running throughout the month. The response from all parties, especially teachers and policymakers, has been very positive. The applications open November 1st and close December 31st. We wanted to give you a chance to share our enthusiasm for the campaign by sharing the short video with you today.

Another interesting data point: Nearly 10,000 FASFAs (free application for federal student aid) have been filed in the first week of the FAFSA being opened. This is the first time that students and families are able to file this early since the federal government now allows a prior year’s tax return to be used. Bottom line: this will allow early application filing.

Another bit of good news: earlier this week we announced a partnership with Amazon and Indiana INTERNnet that will provide 100 paid internships for low income Hoosier students. This is the largest corporate commitment of paid internships for our EARN Indiana work-study program and aligns perfectly with the Career Section of “reaching Higher, Delivering Value.”

In addition to the good news we shared with you this morning about the Gear-Up Grant with Purdue, I wanted to highlight another good news Purdue story. I recently learned that student/parent borrowing at Purdue is down 30% since 2012 – that’s a drop of \$55 million.

CONSIDERATION OF THE MINUTES OF THE SEPTEMBER, 2016 COMMISSION MEETING

R-16-07.1 **RESOLVED:** That the Commission for Higher Education hereby approve the Minutes of the September 2016 regular meeting (Motion – Hershman, second – Bepko, unanimously approved)

II. BUSINESS ITEMS

A. 2017-2019 Indiana Postsecondary Institution Budget Presentations

1. Purdue University

President Mitch Daniels presented this item.

Dr. Bepko stated that President Daniels shared a slide suggesting the amount of state appropriation for Purdue has declined over the last six years or so and enrollments have

increased. In response to his question whether the per capita appropriation would be reduced by an even greater percentage, President Daniels said it would be less. He said it is fair to say that enrollment was flat or even slightly down in some of those years, but not enough to explain those facts. Purdue now has the largest student body ever, close to 31,000, very much by design.

Ms. Lubbers stated you will see change going forward when you look at the demographics with the reduction of international students compared to the residential students and, of course, performance funding going to Hoosier students. She stated that balance may shift in the future.

Mr. Popp expressed his appreciation for Purdue taking the position of freezing tuition and thinks it was a groundbreaking idea. He said you can't really ask universities to cut tuition, but to freeze it is something that is possible and congratulated President Daniels. In response, President Daniels thanked Mr. Popp and said that the trustees thought it was the right and appropriate thing to do and thinks it is working out well. When they surveyed the 48,000 people that applied to Purdue this year why they were interested, or when they surveyed those coming why they chose Purdue, academic reputation and commitment to affordability tied for number one.

Mr. Costas stated that the Polytechnic High School is a tremendous development helping the state solve some of the challenges in the urban areas and expressed his excitement to see that take shape. In response to Mr. Costas' question if the school will be fairly self-sustaining financially or will resources need to be allocated into it, President Daniels said they hope so. He said it will be a charter school under a very creative act of the legislature, called an Innovation School. An agreement has been worked out with Indianapolis Public Schools which does provide most of the dollars that any other public school would receive. In exchange, the school district gets to use the results and contribute the overall results for the district. Purdue will certainly have to raise some money and he put out a request to Purdue graduates saying they need construction work, painters and more and is hopeful for a little in-kind work. The goal is that this high school will stand on its own financial feet at some point and on the projections they have, it would in about the third or fourth year.

Ms. Mosier commended President Daniels on the Polytechnic High School and thinks it is an amazing opportunity for a lot of these children in the urban areas. She stated that she knows his hope is to spread it across the state. Ms. Mosier said you are wanting to automatically enroll these students into Purdue. In response to her question regarding how that will affect the number of students you are able to accept from outside of those high schools, President Daniels stated that he didn't believe it should affect it because they are looking to add to the number of students from that district that make it to Purdue. Purdue will work just as hard to recruit students from every other high school in IPS or every similar district elsewhere. Just because we have hit these record levels of first generation and underrepresented students, we're not where we want to be yet.

In response to Ms. Mosier regarding how the infrastructure Purdue has in place will support plans to expand as necessary, President Daniels stated there is a new phenomenon known as an innovation district, referring to a place adjacent to a

university like Purdue in which it is hoped you can recruit people to live and to work. This district has been designated by the state and there is room to grow and one of the first elements will be additional housing. President Daniels hope is that it will push that percentage of on-campus students up further. He said they imagine in a few years Indiana may be host to some very interesting companies who see great opportunity to site in a place that is good for business and has these assets – a 7,000 foot runway, rail and interstate access and is literally on the edge of a research university.

Mr. LaMothe commended President Daniels on a laser focus on multiple higher education issues including cost that are being addressed in both innovative and pragmatic ways. He referred to his last slide with an equation, quality divided by cost equals value. Mr. LaMothe stated he likes the word quality because there is no question higher education is under pressure to get costs down, make it accessible and affordable, and move kids through in a reasonable amount of time. One of the biggest challenges is how to do all of that and maintain, if not actually improve, quality. He commented that as Purdue moves down this path, the top line, quality, is absolutely critical to the reputation of Purdue. The collaboration he hopes to see with higher education partners is around quality and how to measure and manage it as it is as critical as the cost issue. President Daniels stated that he is exactly right, it wouldn't do Purdue any good just to hold down the cost of education if it wasn't a good education.

Ms. Duarte de Suarez stated there was very interesting data shared about how Indiana is not retaining a lot of graduates that are coming out of our colleges and universities. She said most of the discussion we've had so far is about undergraduates and acquiring their degrees. We haven't really talked about graduate degrees and the efforts that you are undertaking to retain some of that talent in Indiana. In response, President Daniels said that it is really an economic development question. In 2012 the Census Bureau found that more college graduates moved in to Indiana than moved out. We need that to be a pattern over a long time. We all feel personally the so-called "drain" but we don't notice the gain. The best surveys we have say that about 15% of our out of state students take their first job in Indiana. The growth in the life sciences and the IT community around Indianapolis and around Purdue's campus are picking up a lot of brilliant people who came to Purdue from somewhere else. If we get smarter about VISA policies in the United States, I promise you that some of our international students would love to stay. A lot of students leave Purdue, take a first job elsewhere and find their way back with great work experience. It's always on our mind that if we can become an economic engine, we can lean against this problem that bothers us all.

Mr. Peterson followed up to President Daniel's last point that we do have young people that get their degrees in Indiana and leave. He thinks it's laudable that we try and keep more in Indiana but it's inevitable that a lot of these kids who've been born and raised in Indiana want to try something different. The key is being able to bring them back. It was his understanding that Purdue was reaching out to former Indiana-based students to bring them back and has always thought that if there are lessons learned there, all of our universities should do more and attempt to not lose track of them over a more extended period of time and reach them when they're at that age when they're likely to come back home to raise children, etcetera.

Mr. Bland asked President Daniels to speak about the issues he presented today within the broader context of leadership, meaning, as you think about these issues, what does he see statewide and nationally that has him as a leader excited or having some trepidation. President Daniels said that the technology of learning is rocketing ahead and even at a high-tech place like Purdue it is hard to keep up with what people are doing. There are a lot of people who believe this entire residential mode will be outmoded and that high quality education will be available very inexpensively in the comfort of your own home. He also worries that large segments of the economy will decide that a college diploma is no longer a sufficient proxy for the talent they're looking for and will start devising their own methods of testing and credentialing people. Amazon University, for instance, is already conferring certificates that other businesses are willing to honor. He thinks they're in a race to prove that institutions like Purdue can add value that cannot be delivered in some other way. That will have everything to do with personal engagement with faculty, hands on learning, working in groups and teams like in the Polytechnic Institute and undergraduate research. We have to race on the quality line and hopes that Purdue can show leadership in that respect.

2. Ball State University

Interim President Terry King presented this item.

Mr. Peterson stated that he really appreciated President King pointing out some of the high points that Ball State has become so well-respected and known for as it relates to immersion, entrepreneurship, efficiency and effectiveness.

In response to Dr. Bepko with regard to how President King views the relationships between the new Health College and the College of Nursing and if they'll be in the same building at some point, President King said that the School of Nursing will be in the College of Health so they're in the same college. Nursing, Social Work, Speech Pathology, Audiology, Health Sciences and Kinesiology will all be collocated in that same facility. Kinesiology has a tremendous Human Performance laboratory and when President Daniels was talking about NASA, he recalled that almost all of the astronauts have gone through that Human Performance lab and left tissue samples there for them to study. Also on the Ball State Campus, Ball State faculty members are teaching at the IU Medical School in Muncie. Those students and faculty members are interacting with this college, so even though they are a separate entity they are closely tied.

Mr. Murphy asked for clarification on the budget request for an additional \$5 million for 20 new interactive learning classrooms. He said Ball State shows \$7.5 million and \$2.5 million in 2018 and 2019. President King stated the extra \$5 million comes in 2018 and then it drops back down to the \$2.5 million level. He said one could think of it as a capital request, but the way that Ball State is using it for operations, he thinks it makes sense to have it plugged in here.

In response to Mr. Bland with regard to what President King sees as the challenges and issues within the context of his charge at Ball State and Ball State's mission, President King stated that once you get by the operational concerns that all presidents have about how do you find enough resources to do what you're currently doing, it's then thinking

about what do we need to be thinking about five, ten and fifteen years down the road. Innovation and entrepreneurial thinking are extraordinarily important because we cannot predict everything that is going to happen. As an example, about six or seven years ago, we focused on where we thought we had to be in this constellation of opportunities especially with respect to online education and the future of education using adaptive technology. The conclusion we came to at that point is that those things are coming together and made a strong effort to ramp up our online opportunities while at the same time developing the already strong technology we had and expanding that to other areas. What we have now happening is that over half of our undergraduate students take at least one online class every year. That allows them to get their degrees faster because they can fit that into their work schedule or while working an internship somewhere and keep up. So that is the kind of innovation that has to happen. We think in the next few years, the changing classroom environment will be a big part of that, hence the interactive learning spaces.

3. Ivy Tech Community College

President Sue Ellspermann presented this item.

Mr. LaMothe congratulated President Ellspermann on her appointment to Ivy Tech as well as to Ivy Tech because he thinks it is a great match in terms of the skillsets that you bring to the institution. He stated that it is a very complex mission in that when Ivy Tech was originally conceived and put together as a statewide community college system, the heavy focus was what you indicate on the last page, which was a focus on associate degrees. It was a front door into higher education with the hope that it would then move up which is critical. Along the way, Ivy Tech has also picked up the complexity of a workforce development component, such as certifications. Those are two very different things that require different disciplines.

Mr. LaMothe requested President Ellspermann comment about how she envisions going forward in trying to serve two very distinct and separate missions with different incentives. President Ellspermann stated that one of the levels of complexity is 32 campuses across the state being the largest singly accredited community college in the nation. Any state in the nation would envy what we have in Ivy Tech because we have this ability to impact workforce across an entire system. The transfer side is a more recent growth of community college and that ability for someone in Evansville or Batesville to their first two years locally. Where we've seen this work so well in agriculture with Purdue. Purdue is still the agriculture college, but right here in Lafayette, Ivy Tech is the number two agriculture school in the state. Ivy Tech Columbus is the third agriculture school in the state and approximately 50% will get their associate degree and stop and have what they need to go into a career in agriculture where they may be working for a chemical company. The others will transfer to Purdue and finish. They wouldn't be able to do that except for an Ivy Tech.

President Ellspermann went on to say that their missions are both student success and is workforce alignment and she does not see them as separate things. Many 21st Century Scholars that come to Ivy Tech with lower GPAs that may not succeed at a four-year institution and may not get to a two-year associate degree with Ivy Tech, if they're

failing, Ivy Tech can put them in a shorter term credential so that before they leave they have something. If we do it right, we will be a model for the nation. It is challenging but Ivy Tech is up to the task and President Ellspermann looks forward to evolving with this team, the strategies that have not yet been invented on how we are going to do it. She stated her favorite words are “how might we” and it’s our opportunity to move people out of minimum wage jobs and helping Hoosier have the prosperity they strive for and employers having the workforce that they need.

In response to Dr. Bepko’s request for clarification on the Senate Enrolled Act provision stating you must hire one vice president for your workforce and one for your academic side and if it is useful or permanent, President Ellspermann said that you want to pick carefully who you have in those two positions. She stated that these are not two silos, this is to help accelerate our ability to respond to workforce. These two leaders are demonstrating and reorganizing all the way down that ensures we eliminate silos but that we’re talking and we understand what the workforce needs are. An employer has to feel they have a direct line to us and that is what we are reorganizing.

Ms. Lubbers stated that the language put in by legislature would sunset by 2020. The idea of having that integrated vice president of equal status is one that the college is responsive to and in some ways had people operating like that before, just not called out in statute.

President Ellspermann said that because it is in statute it is not a choice and they will make it work and it will make them more workforce aligned. It is a very visible sign to the entire Ivy Tech institution that these are dual missions.

In response to Ms. Duarte de Suarez’s question with regard to whether there is some level of attention going toward trying to attract the kind of caliber of students, not just retain them, President Ellspermann stated the College Connection Coaches and Achieve Your Degree are part of that effort, and Ivy Tech really needs a series of strategies on both of those. She believes those will emerge as they go through strategic planning. She said the other nice thing about having 14 regions and 32 campuses is that Ivy Tech has a lot of innovation happening at the local level, and, in fact that’s where a lot of the best programs come from in a region that is trying something different. Columbus has just started Commit to Complete. Hearing about how that program has been developed and is increasing the completion rates of the students through mentoring and incentives along the way, Ivy Tech can look to whether it can be scaled and what can the central office do to make that easier to replicate in other areas.

Ms. Mosier commented with regard to Ivy Tech’s strategic plan and the goal of 50% full-time faculty engagement, but the number of full-time faculty is very low and, speaking from a student’s perspective, that presents challenges. She inquired if Ivy Tech is trying to increase the level of faculty engagement if that would mean they are trying to increase the number of full-time faculty and rely less on adjunct. President Ellspermann said that is not included in the budget request because the General Assembly has been generous and that would require additional appropriation to increase full-time faculty numbers.

In response to Ms. Whitehouse with regard to whether or not Ivy Tech will continue to have an active role in remediation for students, President Ellspermann stated that one of the best practices around the corequisite model is that the minimum number of students are having to take something remedial but can move into a corequisite.

Mr. Bland commented how inspired he is by her vision, by the clarity and the strategic thinking. Those three elements say things bode well for Ivy Tech and he is interested in seeing how Ivy Tech takes those different systems and actually create the alignment. That is where you will begin to get a lot of the transformation you are seeking statewide.

Ms. Lubbers commented that Ivy Tech has a full spirit of partnership from the Commission and that we understand that we cannot get to any of our attainment goals, and more importantly what's behind those numbers, without Ivy Tech's success. She stated that she rarely makes comments about capital requests but having been on the Kokomo campus, the needs for Kokomo are just incredible. In the spirit of having equal opportunity on campuses, Kokomo needs some help in that regard. Her only word of caution as we move forward would be her concern about students expected time to completion. She mentions this not because the Commission does not recognize the complexity of the students' lives when they go there but the challenge of course is how do we accept those and, at the same time, remove the obstacles for more timely completion. In that regard, from a financial standpoint, we know that financial aid will run out for those students in four years. We know that if they're not taking, even as a part-time student, 18 credits a year their financial aid is being challenged. It is incumbent on us to try to get more timely completion, while lives are complicated, the benefits that they will accrue will be postponed until they complete. When students come to you and say my life is complicated, I hope we can say, what can we do to help you graduate more quickly.

President Ellspermann said Ivy Tech will encourage it at every turn for them to complete more quickly, but not more quickly than is healthy for them.

B. Academic Degree Program for Expedited Action

1. Masters of Science in Medical Biophysics, Certificate in Medical Physics, and Masters of Science in Health Physics offered by Indiana University Bloomington
2. Technical Certificate in Aviation Technology – Flight Technical, Technical Certificate in Aviation Technology Management, and Associate of Applied Science in Aviation Technology Management offered by Ivy Tech Community College Columbus
3. Bachelor of Science in Public Health in Fitness and Wellness offered by Indiana University Bloomington
4. Masters of Science in Cybersecurity Risk Management offered by Indiana University Bloomington
5. Bachelor of Arts in International Studies offered by Indiana University East
6. Bachelor of Arts and Bachelor of Science in Biochemistry offered by Indiana University Northwest
7. Master of Arts in Teaching English to Speakers of Other Languages offered by Indiana University at Indiana University Purdue-University Indianapolis

R-16-07.2 RESOLVED: That the Commission for Higher Education approves by consent the following degree programs, in accordance with the background information provided in this agenda item. (Motion – Bepko, second – Duarte De Suarez, unanimously approved)

C. Capital Projects for Expedited Action

1. Wood Street Utility & Tunnel Infrastructure Repairs – Purdue University
2. Owen Hall East Entrance ADA Accessibility Renovation – Purdue University
3. Feldun Agricultural Center Shop Facility – Purdue University
4. Earhart Hall University Residences Bathroom Renovations Phase VI – Purdue University
5. Calumet Bioscience Innovation Building Planning Funds – Purdue University

R-16-07.3 RESOLVED: That the Commission for Higher Education approves by consent the following capital project, in accordance with the background information provided in this agenda item. (Motion – Bepko, second – Duarte De Suarez, unanimously approved)

III. INFORMATION ITEMS

- A. Academic Degree Programs Awaiting Action
- B. Academic Degree Program Actions Taken by Staff
- C. Capital Projects Awaiting Action
- D. Media Coverage

**IV. OLD BUSINESS
NEW BUSINESS**

There was none.

V. ADJOURNMENT

The meeting was adjourned at 3:47 P.M.

Dan Peterson, Chair

Chris LaMothe, Secretary