

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

**September 11, 2009
Friday**

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:08 a.m. at Indiana University-Purdue University Fort Wayne, Medical Education Building, Room 123A/B, 2101 E. Coliseum Blvd., Fort Wayne, Indiana, with Chair Michael Smith presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Cynthia Baker, Gerald Bepko, Carol D’Amico, Jud Fisher, Gary Lehman, Marilyn Moran-Townsend, George Rehnquist, Ken Sendelweck, Clayton Slaughter, Michael Smith.

Members Attending via Conference Call: Dennis Bland.

Members Absent: Jon Costas, Chris Murphy.

The following institutional presidents attended the meeting: Mr. Richard Helton, Vincennes University, and Mr. Thomas Snyder, Ivy Tech Community College of Indiana. Mr. Anthony Maidenberg, Interim President of Independent Colleges of Indiana, was also present.

III. CHAIR’S REPORT

Mr. Smith expressed his pleasure in working with Commissioner Lubbers and staff over the past several weeks, at a time when the dialog about higher education in the state is rich, active, energetic, and interesting. It describes enormous opportunity for the Commission to work with each of the institutions and the public at large to accelerate progress in meeting goals articulated in the *Reaching Higher* document, and to respond with great flexibility to emerging issues that are clear to all participants, given the economic environment of the state.

Mr. Smith said the Commission had two very productive sessions on Thursday with the Strategic Directions Committee meeting and the evening working session.

Mr. Smith invited Dr. Michael Wartell, Chancellor of Indiana University Purdue University Fort Wayne to address the Commission. Chancellor Wartell welcomed the Commission to campus.

IV. COMMISSIONER’S REPORT

Ms. Lubbers commended the staff of the Commission and those representatives from the public institutions for their hard work. Ms. Lubbers spoke about College Go! Week, which is a state-wide effort developed through Learn More Indiana in cooperation with Department of Education to promote college readiness and preparation for college. College Go! Week will take place during the week of October 12-16. The initiative will promote college readiness in each of the four years of high school with specific activities, including encouraging students in their senior

year to complete a college application. The support from the institutions was tremendous, many of which have agreed to waive application fees during this week.

Ms. Lubbers briefly spoke about the Indiana's Education Roundtable Meeting that took place on September 2nd. The Commission continues to play a very active role in the work of the Roundtable. At the September meeting, former Florida Governor Jeb Bush shared information about the accountability reform that has been happening over the past decade in that state.

Ms. Lubbers mentioned the Indiana performance on SAT, ACT and AP exams. Nationally, 2009 SAT results were stagnant, and Indiana's scores also remained flat. The good news is that more Hoosier students are participating, and there were more minority student participation in these important examinations.

V. CONSIDERATION OF THE MINUTES OF THE AUGUST COMMISSION MEETING

Mr. Smith asked the Commission members to consider making some changes in the Minutes for the August Commission meeting, including wording on page 4 to clarify that the Commission was "invited" to participate in the discussion between the State Budget Agency and the Universities, but did not "initiate" this discussion. Also, Mr. Smith said that on page 14, the word "approve" should be replaced with "improve."

R-09-07.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the August 2009 regular meeting as amended. (Motion – Moran-Townsend, second – D'Amico, unanimously approved)

Mr. Smith also asked Commission members' approval to change the order of items on the Agenda for this meeting. He asked that Item IV – 12, Indiana University–Purdue University Fort Wayne Parking Garage No. 3, be brought forward on the Agenda along with the discussion of other Capital Projects, rather than as New Business. (Motion – Slaughter, second – Sendelweck, unanimously approved)

VI. DISCUSSION ITEMS

A. Overview of Ivy Tech Community College Fall 2009 Enrollment

Mr. Jeffrey Terp, Ivy Tech Community College Vice President for Program Analysis and Engagement, gave an update of Ivy Tech's activities during the last 9-10 months. Ivy Tech predicted 25-35 percent enrollment increase for the 2009-10 academic year. The College anticipated that it could absorb an eight to ten percent increase in enrollment, but was concerned that larger increases would stretch capacity. Mr. Terp said that the College currently has funds that would allow the hire of more full-time faculty members, and work continues to gradually improve the ratio between full-time and part-time faculty. The College would like to increase average class sizes, but some classes are restricted based on lab capacity, while others were restricted based on the physical facilities and how many students may fit into the classroom. Mr. Terp talked about the process of enrollment, optimizing the schedule, cancelling low-demand classes and replacing them with high-demand classes. Ivy Tech offered no new classes this year. Enrollment at Ivy Tech Community College now exceeds 100,000 students. Class sizes increased by fifteen percent in Fall 2009.

Ms. Marilyn Moran-Townsend asked how much enrollment growth is related to students pursuing an Associate degree as opposed to those pursuing a Certificate, or just taking individual classes. Mr. Terp responded that more than eighty percent of students are seeking an Associate degree.

Dr. Marnia Kennon, Vice Provost for Academic Affairs, said that most students start out in an Associate Degree program, and then earn a Certificate, so there is also growth in Certificate programs.

Mr. Smith suggested that Ivy Tech present their capital projects at this point, since President Thomas Snyder had to leave at 10 a.m.

VII. DECISION ITEMS

B. CAPITAL PROJECTS

8. Ivy Tech Community College of Indiana Fall Creek Expansion Phase I

President Snyder briefly described the plans for renovating this building, which is the old St. Vincent's Hospital. Most of the 22,000 students enrolled in Ivy Tech Indianapolis will utilize this building. There will also be a \$2 Million parking garage, made possible by donations and federal funding. President Snyder invited Mr. Hank Dunn, Chancellor of Ivy Tech Community College - Central Indiana, to speak about the project.

Chancellor Dunn stated that the campus is crowded. Ten years ago, Ivy Tech Indianapolis had less than six thousand students; the first day of classes this year Ivy Tech had 22,000 students.

Mr. Clayton Slaughter asked whether students who do not live in Indianapolis would have to travel too far to attend classes in this building. President Snyder responded that transportation in Indianapolis is not very good, so coming downtown is the only viable option students have. The parking garage will be a multi-level facility with a covered bus terminal underneath.

Mr. Smith asked whether Ivy Tech runs circulators. President Snyder responded that they do not, but they have a shuttle bus between the Lawrence and Indianapolis campuses.

Ms. Moran-Townsend said that the State Budget Committee asked the Commission to review this project just last week, and they have an enormous stack of projects, that Commission members just reviewed this morning. Ms. Moran-Townsend said that the Commission understands that total bonding authority that the legislature approved for this biennium will not cover all of the projects. She asked if this project is Ivy Tech's highest priority. Mr. Snyder responded that they had worked with the State Budget Committee to develop their priorities, and this project has been their top priority since he first came to Ivy Tech.

Mr. Bernard Hannon, Senior Associate Commissioner and CFO, commented on the fact that due to circumstances beyond control of the staff and the Commission, the Commission has been asked to review fourteen capital projects in one meeting, on a

very short notice. This is an unprecedented occurrence, but the Commission's staff did their best to make thoughtful and deliberate recommendations of these projects for this meeting. Mr. Hannon emphasized that this is not the way the Commission prefers to operate; much more time is needed to give the projects better consideration. However, the Commission must be responsive to a request from the State Budget Committee and State Budget Director, who asked the Commission to make those recommendations.

Mr. Hannon also pointed out the concern expressed by members of the Commission and administration, as well as some of the members of the General Assembly, that the State of Indiana is spending more money on capital projects debt than is prudent. State appropriations for capital debt are growing two or three times faster than state appropriations for operating cost for institutions, and this is a concern for the Commission. The Commission has a practice of not recommending capital projects that do not have debt service available. All of the projects on the September Agenda have debt service behind them. All of the affected institutions met with the Budget Agency, the Indiana Finance Authority and the CHE staff to talk about these projects before they appeared on the Agenda.

Mr. Hannon indicated that there is now approximately \$500 Million in state funded capital projects authorized by the General Assembly and awaiting review. The Commission will review about \$170 Million out of \$500 Million at the September meeting—more than 60 percent of the capital projects are still waiting authorization, and there is not enough debt service to pay for all of them. All the institutions that are here today would be presenting their capital priorities.

Mr. Hannon confirmed that this project is Ivy Tech's number one priority, and has been since 2007. The total project cost for the Fall Creek project is \$69.4 Million; the project up for Commission approval, Phase I, will cost \$35.9 Million. Phase II will come before the Commission within the next two years.

Mr. Smith made a suggestion that when Mr. Hannon prepares the final document, which includes Commission and staff recommendations, he should include a note to the State Budget Committee regarding the Commission's concern about the process. The amount of time left for a review was not sufficient. The Commission would like to let institutions know that it wants to be constructive and not obstructive, and that the Commission takes seriously its duty to conduct a thoughtful review of each project.

Mr. Slaughter asked whether 60 percent of the building space is for academic purposes. Mr. Terp responded in affirmative. The rest of the space will be designated for a cafeteria, financial aid offices and computer labs. There is also a Community Meeting Room that will be available for neighborhood use.

Mr. Hannon gave the staff recommendation.

R-09-07.2 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the project, *Ivy Tech Community College of Indiana Fall Creek Expansion Phase I*, as presented in the project description and staff analysis dated September 11, 2009. (Motion – Bepko, Second – Lehman, unanimously approved)

7. Ivy Tech Community College of Indiana Warsaw Campus New Construction

President Snyder presented this item, pointing out that Warsaw contains a one-third of the orthopedic industry in the United States. The building will house a \$1 Million worth of orthopedic equipment. The building currently leased in Warsaw houses 450 students—the lease will expire in 2012. Ivy Tech anticipates that 1,500 students will utilize the new facility. President Snyder commented on the cost of the project and its location.

Mr. Slaughter asked how much space will be dedicated to the students' academic needs. Mr. Snyder said that the building has 26,000 square feet of classroom space and labs. Mr. Terp added that financial aid office, admissions office, Bursar's office, and Registrar's office also will be moved to the new building.

Mr. Hannon commented on the financing process. When the General Assembly authorizes a new construction project, they have a number of options. One way is to give authorization for a full project upfront. It has been a past practice on many projects to appropriate planning funds a biennium in advance of the actual project itself, and this is what happened here. The 2008 General Assembly authorized \$1 Million in planning funds for Ivy Tech to plan a new facility in Warsaw. In 2009, the General Assembly authorized \$10.1 Million to construct a project in Warsaw. Ivy Tech is asking the Commission's recommendation for \$10.1 Million.

Ms. Moran-Townsend asked for a clarification of the financial process due to a fact that the project has funding available on July 1 of next year, and the Commission is giving its recommendation today, so the project will have a capitalized interest.

Mr. Terp explained that the debt service begins in the second year of the biennium. Ivy Tech never has a capitalized interest. They will have bond offerings that will fund this project, with no capitalized interest the first year. Bond payments will begin in the second year, when debt service funds are available.

Mr. Hannon stated that the Commission gives its recommendation today, and it will go to the Budget Committee at the end of this month. The Indiana Financial Authority (IFA) issues a letter after the Budget Committee, authorizing the issuance of the debt. Ivy Tech will go to the market with the debt in November or early December. Then they will have some cash in hand to start the construction; then they will take a mortgage in June, with the first payment due in August.

Mr. Hannon gave the staff recommendation.

R-09-07.3 RESOLVED: That the Commission for Higher Education hereby recommend approval to the State Budget Agency and the State Budget Committee of the project *Ivy Tech Community College of Indiana Warsaw Campus New Construction*, as presented in the project description and staff analysis dated September 11, 2009. (Motion – Moran-Townsend, Second – Fisher)

VI. DISCUSSION ITEMS (continued)

B. Overview of Indiana Innovation Alliance Plan Presented by Indiana University and Purdue University

Mr. John Grew, Executive Director for State Relations, Indiana University (IU), introduced this item. Three years ago IU introduced its Life Sciences Initiative, now called the Indiana Innovation Alliance (IIA), and presented it to the General Assembly. Funding for the initiative was recommended by the Commission last year as part of the Commission's biennial budget. Members of the General Assembly showed a strong interest through both sessions, but Indiana's fiscal constraints did not permit the state to fund the initiative at the full level. The initiative received \$10 Million in both FY10 and FY11.

Mr. Grew emphasized that this initiative has a strong relationship to *Reaching Higher*, especially the element dealing with major research institutions. Purdue and IU are combining their individual institutional strengths in sciences, engineering, and medical education disciplines to grow Indiana's research enterprise by making certain core research capabilities available to other universities and industry sciences.

The core three components of the Indiana Innovation Alliance are: 1) enhancing core research capabilities; 2) expanding IU's medical education network; and 3) expanding the Purdue University Technical Assistance Program.

Mr. Grew introduced the presenters: Dr. Rob de Ruyter, Associate Dean for Research and Professor of Physics at IU Bloomington College of Arts and Sciences; Mr. Kevin Green, Director of State Relations at Purdue University; Dr. Richard Kuhn, Chair of the Purdue Biology Department and Director of the Bindley Bioscience Center; and Dr. Peter Nalin, Interim Executive Associate Dean for Educational Affairs, IU School of Medicine.

Dr. de Ruyter said that core research is important for the sciences. During the last decade the life sciences have changed dramatically. Individual research has become almost impossible due to the growing cost of the research materials and equipment. The idea is to create research cores: 1) The Biomedical Device and Bionanotechnology Core, and 2) The Indiana Biomedical Imaging Research and Development Core. Both universities will fully participate in and contribute resources and expertise to each core. These two cores are built upon existing areas of strength in the two institutions, and also represent opportunities and needs of the private sector. The cores will serve both academic and industrial partners. The creation of these cores will call for developing a managing committee, which will have representatives from both Indiana and Purdue universities, state government and industry. For a day-to-day operation of each core there should be a managing director, who will coordinate the activities with the scientific commission.

Mr. Smith commented that, at the working session on Thursday night, the Commission received a very enlightening, updated report on the progress at Indiana's two major research institutions, and the conversion of research and development to job-creating initiatives was highlighted in this report. Mr. Smith commended Indiana University and Purdue University, and said that Indiana should be informed more broadly about the wonderful things that are happening at those two institutions. He asked the staff to make the report broadly available to the community.

Mr. Green said that the University hopes to bring together the collaborations that they already have of the various schools at Purdue University: Veterinary Medicine School, Pharmacy, Engineering Schools, Agricultural School, School of Science, as well as IU School of Medicine and the School of Science and Engineering at IUPUI, and build upon that with expertise at IU Bloomington. The key for Purdue is to provide their faculty with the kind of expertise where they can capitalize on these relationships across the academic and institutional boundaries, including the industrial partners. In order to have stability based on the foundation, they are combining Purdue West Lafayette, IU School of Medicine, and IU Bloomington. These campuses will need very expensive equipment that one campus would not be able to purchase on its own; they will need the right people, and corporate partnerships, starting with Eli Lilly all the way down to the start-up companies, assisted by research parks.

Mr. Green gave an example of such collaboration. Faculty members do basic research, which leads to a creation of an innovative product; this product needs to be tested and prototyped; at this point the industrial partner is brought in, and the partner will work with the researcher to advance this product into the market. Mr. Green mentioned a few partners, Cook Biotech in West Lafayette and in Bloomington; Biomet, Depuy, and Zimmer in Warsaw; Hill-Rom in Batesville; Ft. Wayne Metals in Fort Wayne; Nanovis in West Lafayette.

Mr. Green spoke about components of the initiative pertaining to Purdue. Three components are included in the \$2 million. First, Purdue begins to expand the postgraduate opportunities in pharmacy residency. More and more companies need higher levels of expertise for their on-staff pharmacists to help them with the process of drug discovery, review and moving products through the pipeline. This process has a potential of improving health care in Indiana, as well as building a highly experienced pool of pharmacists across the state. Second, there are also postgraduate opportunities in Biomedical Engineering. Rapidly evolving technologies in biomedical engineering have created a need for an advanced education and professional development masters program targeted specifically toward working engineers and scientists. Third, Purdue has developed a Healthcare Technical Assistance Program, using the Engineering and Science principles, reducing cost, as well as making health care systems more efficient.

Mr. Smith asked whether this was unusual or compromising in this initiative to secure more contributing funding from the commercial partners, thus treating them more like customers than partners.

Dr. Kuhn responded that with the BioCenter they have a project, which is being supported by the BioCenter. They are supporting academic faculty and students for projects, in which both partners are interested. Dr. Kuhn stressed that this is not a service, but collaboration.

Mr. Smith asked whether some manufacturers like Siemens were asked to join the collaboration early on. Dr. de Ruyter responded that they have not heard from Siemens.

Mr. Smith said there is capital available, and he hopes that the Alliance is seeking this capital.

Mr. Grew responded that the University's Office of Engagement, in collaboration with Office of State Relations, are actively involved in seeking partners around the state.

Dr. Nalin commented on the IU's School of Medicine plans to expand by 30 percent from the most original class size of 280 to 364 students per class. They hope to have 1,456 medical students at the conclusion of this plan. In 2006 the Physician Work Force study by the School of Medicine, in collaboration with the State of Indiana, noted the shortage of physicians in many parts of Indiana, and predicted an even greater disparity by 2020. IU's Medical School is second in the nation for medical graduates returning to practice in regions of the state where they studied. IU is currently providing education in eight medical centers throughout the state. To activate the faculty to deliver clinical experience, community-based practicing physicians will be recruited to volunteer for the clinical education and pilot programs that already exist in several regions in the state. The existing statewide infrastructure (IU School of Medicine) provides an attractive economic plan to expand enrollment of medical students.

Mr. Smith was concerned about increasing an annual budget considerably in order to add more students. Mr. Smith was wondering whether this was fair since the effort was to try to maintain perspective around the budget.

Dr. Nalin responded that this was a 30 percent expansion of the Medical School at rates that are economical. Using the current infrastructure, this is the way to do it.

Ms. Baker asked whether the American Medical Association (AMA) provided the accreditation guidelines in terms of how medical students work towards their medical degree for this clinical experiences; whether any changes of the guidelines are involved.

Dr. Nalin responded that the accrediting national standard for medical education notified IU in June that they have eight full years of accreditation, which is the maximum number of years possible.

Mr. Smith asked whether there was a reference regarding programs for primary care and nursing in the Alliance plans. Dr. Nalin responded that it is not in this particular plan.

Mr. Slaughter wanted to make sure that undergraduate students are being supported, as well as graduate students. Dr. de Ruyter responded that facilities will be open for all students. IU is working on strengthening start programs to get students into research at an early stage.

Dr. Kuhn added that the Indiana Innovation Alliance is very much engaged in bringing students not only into the research, but entrepreneurship and management.

Mr. Hannon explained that this discussion does not require any action from the Commission; it was only for the information. The Alliance was requested by the institutions; Commission made recommendation that it be funded at some level in some way; the General Assembly made appropriations, and the Budget Bill says that the Budget Committee must review the expenditure of the IIA. IU and Purdue have come today to discuss the expenditure plan with the Commission. The Commission hopes to have an ongoing discussion with IU and Purdue on how they are planning to operate this program.

Mr. Hannon also added that when the Commission made the recommendation for funding of this Alliance, the Universities were told that the Commission wanted to see the leveraging of funds from federal, private and corporate sources. IU and Purdue have built some long-term expenditures into these appropriations, and this can be a concern for the staff if the

appropriations go away, and yet there is some personal cost build into this program, the funding will have to come from somewhere.

Dr. Gerald Bepko congratulated both Universities for developing the Alliance.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Master of Arts in Applied Anthropology To Be Offered by Indiana University at its IUPUI Campus

Dr. Robert Sandy, Assistant Executive Vice President, Indiana University, introduced Dr. Paul Mullins, Chair, Department of Anthropology, Indiana University. Dr. Mullins directed a Ransom Place archeology project about the history of the African-American community near the IUPUI Campus. Dr. Mullins is best known for his book “Glazed America” about the history of the doughnut.

Dr. Mullins stated that Applied Anthropology is one of the fastest growing areas in this field. The Master of Arts in Applied Anthropology program is built on established departmental strengths in public archaeology, urban anthropology, and international development medical anthropology. A distinctive feature of the Department is its emphasis on civic engagements since the 1970’s. The focus has always been on work outside the classroom setting, and on how the anthropologists can address the community needs.

In addition to a conventional two-year Master’s program, this program includes the option of combining five year BA-MA program. The curriculum does not replicate any of the graduate programs in Indiana. There are 22 nationwide programs that are part of the consortium for programs in Applied and Practicing Anthropology, the closest in Kentucky. This program will link with several other professional programs that are based in Indianapolis: School of Dentistry, Social Work, Nursing Education, Public and Environmental Affairs. Indianapolis provides excellent research and internship opportunities for the students and a very good job market, even at the present time.

Dr. Ken Sauer, Senior Associate Commissioner, Research and Academic Affairs, gave the staff recommendations. The undergraduate Anthropology program is well-subscribed. It not only provides a foundation in terms of students and faculty for this Master’s degree, but it is a unique program, since it combines a five-year BA-MA program. This is the first combined five-year BA-MA program at IUPUI. This is a terminal degree, which means that the graduates are not anticipated to go on to a doctoral program.

Ms. Smith asked whether there were peer institutions in reasonable proximity, who offer the similar programs. Dr. Sauer responded that there were none in Indiana.

R-09-07.4 RESOLVED: That the Commission for Higher Education hereby approves the Master of Arts in Applied Anthropology to be offered by Indiana University at its IUPUI Campus, in accordance with the

background discussion in this agenda item and the *Abstract*, August 28, 2009; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, August 28, 2009 (Motion – D’Amico, second – Slaughter, unanimously approved).

2. Master of Business Administration To Be Offered by Indiana State University at the Indianapolis Aviation Technology Center

Dr. Jack Maynard, Provost and Vice President for Academic Affairs, Indiana State University (ISU), introduced this item. This program will address the needs of potential MBA students and is designed for professional market. It utilizes the cohort structure of the MBA students, who have five to seven years of professional experience. Hendricks County and the Western Indianapolis area represent an underserved market of Hoosiers who would like to pursue an MBA program.

Mr. Smith asked how ISU reached a conclusion that there was an underserved geographic area on the west side of Indianapolis.

Dr. Maynard invited Dr. Nancy Merritt, Dean, School of Business at ISU, to respond. Dr. Merritt said that the growth at the Hendricks County has been very high over the last twenty-five years, and is projected to continue. Other campuses are concentrating on the South side of Indianapolis (University of Indianapolis) and also downtown Carmel on the North side. That’s why ISU reached the conclusion that West side may need a professional MBA located close to the employment base.

Mr. Smith asked whether they included Butler University’s program in their research. Dr. Merritt answered that Butler is not delivering on the West side/Plainfield area.

Mr. Smith asked whether the program includes distance learning delivery.

Dr. Merritt said that the classes are delivered in such a manner that about half of the contact is face-to-face, and another half is delivered via distance education technology.

Mr. Lehman asked how many institutions within 60 miles of Indianapolis offer an MBA program. Dr. Merritt added that there are some private schools, in addition to the state colleges, offering MBA programs.

Dr. Bepko said that the resident program at ISU was shrinking, and this is related to the desire to offer this program in Hendricks County. But if there is an increase in the MBA program at ISU, Dr. Bepko was wondering whether this would mean that the interest in this new MBA program is temporary.

Dr. Merritt said the increased enrollment in the MBA program at ISU was a result of a program for Conseco, which took place in the Indianapolis market in

the late 1990's – early 2000's. When this program was discontinued, the evening and part-time programs in Terre Haute were relatively stable. The interest in this new program would not be temporary. The program would start with a cohort of 25-30 students and eventually will grow to a capacity of two cohorts in this area.

Dr. Sauer commented on the declining enrollments at ISU. This issue was discussed with the university, and staff was satisfied that the changes that would be made to this program will result in enrollment increase at Terre Haute. Dr. Sauer also pointed out that the program will be using a very modest space at the Aviation Technology Center in the evening. Faculty that would be providing instruction for this program are almost exclusively tenured at Terre Haute.

Ms. D'Amico asked whether this would be the only public university MBA in Central Indiana, besides Kelley School of Business at IUPUI. Dr. Maynard answered this question affirmatively.

Mr. Lehman made a comment that two nationally ranked institutions, IU and Purdue, already offer MBA programs, so he questioned the necessity of having another one.

Ms. Moran-Townsend asked whether this relates to the University's mission. Dr. Sauer confirmed that it does. This is part of a broader attempt to offer more programs in Indianapolis. This is a program that the University identified as an unmet need. Ms. Moran-Townsend commented that the fact that there is an unmet need does not mean that this program is within the University's mission.

Dr. Sauer said that he distinguishes between a single program and a broader initiative. Another mission question relates to IUPUI, which has a mission of serving Central Indiana and does it quite well. Dr. Sauer confirmed that ISU had questioned the Kelley School of Business to see whether there would be any concern on their part about this new program; the answer was negative. Another point relates to the selectivity of the Kelley School of Business. The G-MAT scores for Accredited International MBA Programs show that the scores for students entering the Kelley School of Business are the highest in the state.

Ms. D'Amico asked how many MBAs Indiana needs. Dr. Merritt answered that in times of recession the MBA applications go up. Approximately 600 Indianapolis area potential students take G-MAT that is required by the IU and Purdue schools of business, and among those there are applications that are coming from other areas of the state and from other states. This is particularly true for the full-time MBA students, most of whom are international students.

Mr. Smith asked that if this program was not approved whether ISU could reduce its cost. Dr. Maynard answered that this will not happen. He said that they expect tuition charges that will cover necessary expenses. There would be no cost for the facility. Also, there will be no new faculty for this program; those who are currently teaching programs in Terre Haute would be teaching the MBA program.

Dr. Maynard said that Hendricks County representatives approached the ISU on two separate occasions within last five-six years with the request to work with them and to be their partner. That is what created a potential for this program.

Mr. Slaughter asked about the differences between this MBA program and other MBA programs offered by other universities. Dr. Merritt said that the traditional MBA is a lot less expensive than the executive program. She said that the MBA program at Terre Haute is comparable to Ball State's, but the cost of the ISU's MBA program at the Aviation Technology Center will be about twice as much as traditional programs, offered either in Ball State or at ISU at Terre Haute.

Mr. Slaughter asked whether the delivery mechanism is the cause of such high rates. Dr. Merritt answered that this program is positioned between the traditional MBA program and the executive programs.

Dr. Bepko asked the staff to keep in mind a sort of framework of the programs delivered in Indianapolis metropolitan area. Almost every state university is offering some program in Indianapolis area. There should be some policy perspective on how to spend state money.

Ms. Moran-Townsend said that it is disturbing to hear that distance education programs will cost more. Dr. Merritt explained that the program will be delivered in sessions over a ten-week period rather than a sixteen-week period. Half of the sessions are face-to-face with the faculty member and the students studying together. This is a hybrid program.

Ms. Moran-Townsend asked why it costs more. Dr. Merritt answered that they were bringing the program to the employment area. When they brought the program to the Consecoco area, the program cost was considerably more compared to programs where students come to the campus. They also bring all services to the students.

Mr. Lehman commented that this has been the longest discussion of a degree program since he has been on the Commission. He suggested that the Commission come back to this discussion at some later time.

Mr. Smith pointed out that the tuition cost for this program is driven by what the market enables the university to charge, rather than what the cost of delivery is. This is a new level of sensitivity for the Commission. The Commission has to hear the voice of the taxpayers who are funding these programs.

Mr. Smith asked the Commission's opinion, whether to act on staff recommendation or pursue an alternative action.

Mr. Lehman suggested delaying the staff recommendation until October.

Mr. Slaughter asked what would help the Commission to make the decision next month.

Dr. Sauer answered that there were a number of issues that came up in previous discussions. Cost is an issue that has not come up in the past, but the Commission staff has a sense of what additional information needs to be gathered for the next discussion either next month or a month after.

R-09-07.5 RESOLVED: That the Commission for Higher Education hereby defers approval of the *Master of Business Administration* to be offered by Indiana State University at the Indianapolis Aviation Technology Center to a future Commission Meeting. (Motion – Lehman, second – Moran-Townsend, unanimously approved)

3. Master of Liberal Studies To Be Offered by Indiana University Northwest at Gary

Dr. David Malik, Interim Vice Chancellor at Indiana University Northwest, introduced this degree proposal. He introduced Dr. Mark Hoyert, Dean, College of Arts and Sciences, to speak about this proposal.

Dr. Hoyert said that this program is interdisciplinary. This kind of program is offered at four other IU campuses. This program will serve several groups of students: teachers who need a Master's degree; students who are interested in pursuing further education; and those who need more credentials to gain admission to graduate programs.

Dr. Sauer said that there are two elements in favor of this program: the degree can be easily offered, since it is based on existing courses, and it will have significant economic outcomes for students.

Dr. Sauer gave the staff recommendation.

R-09-07.6 RESOLVED: That the Commission for Higher Education hereby approves the *Master of Liberal Studies* to be offered by Indiana University Northwest through its Gary campus, in accordance with the background discussion in the agenda item and *Abstract*, August 28, 2009, and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary, August 28, 2009* (Motion – Rehnquist, Second – Bepko, unanimously approved)

4. Technical Certificate and Associate of Applied Science in Manufacturing Production and Operations To Be Offered by Ivy Tech Community College of Indiana Statewide via Distance Education Technology

Dr. Marnia Kennon, Vice Provost for Academic Affairs, Ivy Tech Community College, spoke about this program proposal. Manufacturing is the single largest economic sector in Indiana and has been a part of Ivy Tech's academic offerings since 1971. This fall Ivy Tech has over 3,000 students in Manufacturing and Industrial Technology Programs. The proposed program will complement and extend these existing programs, providing new options for students. This is Ivy Tech's twelfth distance-based program, and the second program offered only via distance education.

Dr. Kennon said that the Indiana Department of Workforce Development projects annually 8,500 average job openings in production field. Only seven percent of these are new jobs; mostly needs are for replacement workers.

Ms. Moran-Townsend asked whether the tuition for distance education is higher or lower. Dr. Kennon answered that Ivy Tech will charge \$10 more per credit hour for each Internet-based program.

Mr. Lehman had a question about the number of credit hours. Dr. Kennon explained that there was a mistake, and it would be corrected.

Mr. Smith asked whether anyone from the manufacturing industry helped Ivy Tech establish the curriculum. Dr. Kennon asked Mr. Vearl Turnpaugh, Executive Director of Advanced Manufacturing Initiatives, Ivy Tech Central Office, to answer this question. Mr. Turnpaugh said that Ivy Tech worked directly with Conexus Indiana on the advanced manufacturing and on skills gatherings. Conexus provided Ivy Tech with their introductory skills set; Ivy Tech cross-mapped that, and developed programs according to this information. Ivy Tech also did two online distance education forms and sought out information on what manufacturers would like to see in their online classes.

Mr. Moran-Townsend recommended having 30 days deferment of this program for the same reason as the MBA program, to understand why distance education costs should be higher than the classroom-based costs.

Mr. Smith asked whether the Commission could have a cost of the program in absolute numbers, rather than as a relative comparison.

Mr. Jeff Terp answered that at another time he could share with the Commission a number of distance education programs and how Ivy Tech is delivering them. He answered that the higher cost is for the additional technology. Mr. Terp encouraged the Commission to approve this program. He said Ivy Tech has a sense of urgency in moving forward with this program. This is a national first on-line degree program in Advanced Manufacturing.

Mr. Terp said Ivy Tech would have more information for the Commission regarding cost of tuition next month.

Dr. Bepko said he would like to move approval on these terms.

R-09-07.7 RESOLVED: That the Commission for Higher Education hereby approves the *Technical Certificate and Associate of Applied Science in Manufacturing Production and Operations* to be offered by Ivy Tech Community College of Indiana Statewide via distance education technology, in accordance with the background discussion in this agenda item and Abstract, August 28, 2009 and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, August 28, 2009. (Motion – Bepko, Second – D’Amico, unanimously approved)

5. Academic Degree Programs on Which Staff Propose Expedited Action

Staff presented a list of degree program proposals for expedited action.

R-09-07.8 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*, July 31, 2009:

- B.A. in Africana Studies to be offered by Indiana University at its IUPUI Campus
- B.S. in Athletic Training to be offered by Indiana University Bloomington in Bloomington
- Technical Certificate in Industrial Technology to be offered by Ivy Tech Community College of Indiana-Richmond at Richmond and Connersville (Motion – Bepko, second – Fisher, unanimously approved)

B. Capital Projects (continued)

1. Ball State University Central Campus Academic and Utility Project - Phase I

Mr. Phillip Satchleben, Associate Vice President, Government Relations, Ball State University, presented the proposed item and its funding.

Mr. Hannon gave the staff recommendation.

R-09-07.9 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the project *Central Campus Academic and Utility Project – Phase I*, at Ball State University, as presented in the project description and staff analysis dated September 11, 2009. (Motion - Sendelweck, second – Moran-Townsend, unanimously approved)

2. Indiana State University Life Sciences/Chemistry Laboratory Renovations and Chiller

Dr. Brian Hasler, Director for External Relations, Indiana State University, presented the proposed item and its funding.

Mr. Hannon gave the staff recommendation.

R-09-07.10 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the project *Life Sciences/Chemistry Laboratory Renovations and Chiller*, at Indiana State University, as presented in the project description and staff analysis dated September 11, 2009. (Motion - Lehman, second - Bepko, unanimously approved)

3. Indiana University South Bend Education and Arts Building Renovation

4. Indiana University Bloomington Laboratory Renovations – Jordan Hall

5. Indiana University Purdue University Indianapolis Life Sciences Laboratory Renovations

6. Indiana University Bloomington Cyber Infrastructure Building New Construction

Mr. Morrison presented all the proposed items and their funding.

Brief discussion followed.

Mr. Hannon gave the staff recommendation.

R-09-07.11 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Indiana University South Bend Education and Arts Building Renovation
- Indiana University Bloomington Renovations – Jordan Hall
- Indiana University Purdue University Indianapolis Life Sciences Laboratory Renovations
- Indiana University Bloomington Cyber Infrastructure Building New Construction

as presented in the project description and staff analysis dated September 11, 2009. (Motion – Bepko, Second – Sendelweck, unanimously approved)

9. Vincennes University Physical Education Building Renovation

10. Vincennes University Davis Hall Renovation

11. Vincennes University Multicultural Center New Construction

President Richard Helton presented all proposed items and their funding. He mentioned that they presented four projects to the State Budget Committee. The first priority was Jasper Facility construction, but the State Budget Committee approved only the three of presented projects. President Helton said that they were assured that the Jasper project will be approved, as well, in the near future.

Brief discussion followed.

Mr. Slaughter asked President Helton to list the projects in the order of their priorities. President Helton reconfirmed that Jasper Facility was still their first priority, and the rest were listed in the order they were presented at the meeting.

Mr. Sendelweck asked why the State Budget Committee did not respect the request for approval Jasper Facility construction. President Helton said he could not speak for the State Budget Committee, but he thought it was because the three proposed projects were not requesting any new state funds. Mr. Sendelweck pointed out that the Jasper project was approved by the Legislature in the last biennium.

Mr. Hannon gave the staff recommendation.

R-09-07.12 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Vincennes University Physical Education Building Renovation
- Vincennes University Davis Hall Renovation
- Vincennes University Multicultural Center New Construction

as presented in the project description and the staff analysis dated September 11, 2009 (Motion – Slaughter, Second – Moran-Townsend, unanimously approved)

As approved by the Commission members, the following item was brought forward for consideration as a regular Agenda item instead of a New Business item.

12. Indiana University–Purdue University Fort Wayne Parking Garage No. 3

Mr. Kevin Green, Director of State Relations, Purdue University, briefly spoke about this project.

Mr. Walter Branson, Vice Chancellor, Financial Affairs, Indiana University Purdue University Fort Wayne, presented the proposed project and its funding.

R-09-07.13 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee project *Parking Garage No. 3 at Indiana University Purdue University at Fort Wayne campus*, as presented in the project description and staff analysis dated September 11, 2009. (Motion – Moran-Townsend, Second – Fisher, unanimously approved)

13. Capital Projects on Which Staff Proposes Expedited Action

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

- Indiana University Purdue University Indianapolis Lilly House Renovation

R-09-07.14 RESOLVED: That the Commission for Higher Education hereby approves by consent the following capital project, *Indiana University Purdue University Indianapolis Lilly House Renovation*, in accordance with the background information provided in this agenda item. (Motion – D’Amico, second - Lehman, 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 August Commission Working Sessions
- E. ACT and SAT Test Results

There was no discussion of these items.

X. NEW BUSINESS

There was none.

IX. OLD BUSINESS

Dr. Bepko asked that the Commission express its prospective regarding the expedited nature of the review of capital projects. Despite the limited time for a review, in the light of the urgency in which these capital projects were forwarded, and mindful of their importance, the Commission took an expedited action to review all eleven projects on the Agenda on September 11, 2009.

Mr. Smith asked that the record of the meeting would include such recognition. He asked that it be stated in the Minutes that the Commission expresses its concern about the capital project review process. The amount of time left for a review was not sufficient, which contradicts the nature of a standard of conduct. The Commission would like to let every institution know that it wants to be constructive and not obstructive, and it is its duty to make a thoughtful review of each project. However, notwithstanding the limited time, the members of the Commission were able to take all the action that was requested of them.

Mr. Smith reminded Mr. Hannon that, when he communicates with the State Budget Agency, to make it clear that the Commission is happy to cooperate, but this is not the way it prefers to do business.

XI. ADJOURNMENT

The meeting was adjourned at 12:20 p.m.

Mike Smith, Chair

Jud Fisher, Secretary