

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Friday, February 10, 2012

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:00 a.m. at the University Place Conference Center, IUPUI Campus, Room 132, 850 W. Michigan St., Indianapolis, Indiana, with Chair Ken Sendelweck presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Gerald Bepko (via conference call), Dennis Bland, Carol D'Amico (via conference call), Susana Duarte de Suarez, Keith Hansen, Chris LaMothe, Marilyn Moran-Townsend, Eileen O'Neill Odum, George Rehnquist, Kent Scheller, and Ken Sendelweck.

Members Absent: Jud Fisher, Mike Smith.

Dr. France Córdova, President, Purdue University, also attended the meeting.

III. CHAIR'S REPORT

Mr. Sendelweck announced that the first meeting of the 2012 Student Nominating Committee will be held that afternoon via conference call. During this meeting the Committee will choose a date to begin accepting applications for the next student representative on the Commission. The date is expected to be before the end of February. On that date, the application will be available via the Commission's website.

Mr. Sendelweck expressed his appreciation of Mr. Hansen's two years with the Commission. He also acknowledged Mr. Hansen's January 25th editorial in the *Lafayette Journal and Courier* regarding Credit Creep. Mr. Sendelweck thanked Mr. Hansen's for his timely article.

Mr. Sendelweck asked for a moment of silence to honor Dr. George Weathersby, who passed away recently. Dr. Weathersby served as a Commissioner of Indiana Commission for Higher Education from 1977-1983.

IV. COMMISSIONER'S REPORT

Ms. Teresa Lubbers, Commissioner, Indiana Commission for Higher Education, introduced Mr. Shane Hatchett, Manager of Business/Human Resources. Mr. Hatchett has been with the Commission for approximately six months following his internship. He is a graduate of IUPUI's SPEA School, where he majored in Public Management. Mr. Hatchett's work experience includes serving as the assistant to the chairperson of the School of Dentistry and as a student human resources assistant in the school's Campus Facility Serviced Division.

Ms. Lubbers mentioned that Jean Dugan, who held the position of the Business/Human Resource Manager at the Commission prior to Mr. Hatchett, retired but is still working at the Commission in a part-time contract position; Mr. Hatchett has assumed the leadership role in the Commission's human resources area and is doing a great job.

Ms. Lubbers announced that on February 21st the Commission will convene the first meeting of Indiana's College Completion Council. The initial meeting will include presidents of all sectors of Indiana's postsecondary education system: all seven public institutions, seven independent colleges, WGU (Western Governor's University), and two Indiana-based proprietary schools. Ms. Lubbers mentioned that she and President Beverley Pitts of the University of Indianapolis will co-chair the Council. Ms. Lubbers said that President Pitts has both public and private university leadership experience and will be retiring from University of Indianapolis this year; however, she is willing to continue her involvement with the Council.

Ms. Lubbers said that at the first meeting they will be discussing the Commission's "*Reaching Higher, Achieving More*" document. The meeting will be a couple of weeks prior to official approval of this document. This will also be an opportunity to begin the discussion with the presidents on how to achieve the state targets for increasing postsecondary completion to 60 percent of Indiana's adult population, and how each of Indiana's institutions and sectors might be involved in helping to reach this goal. Subsequent meetings might include representatives from the Governor's office, Department of Education, Department of Workforce Development and Education Roundtable.

Ms. Lubbers spoke about the MHEC (Midwestern Higher Education Compact) 2010-2011 State Report, which was recently released. Indiana is one of twelve states participating in MHEC. Based on MHEC's report, 21.8 percent of the nation's population resides in the Midwest, with 23 percent of the nation's associate degrees and 24.6 percent of the nation's bachelor's degrees awarded in this region. The Indiana Report showed the following: Indiana is the largest user of the e-Transcript program in the Midwest; this program was led by Dr. Ken Sauer from the Commission for Higher Education. Indiana's participation in the Midwest Student Exchange Program remains lower than other participating Midwestern states with an average saving of slightly over \$3,000 per student.

Ms. Lubbers noted that the state commitment to MHEC is \$95,000 a year; total \$1.2 million for the period since Indiana joined in 1996, which is clearly a sound investment for the state, considering that the savings accrued to Indiana through MHEC cooperative purchasing totaled approximately \$2.5 million this year alone with a cumulative savings since 1996 of slightly over \$24 million. Ms. Lubbers added that the MHEC's Report includes a variety of other state performance indicators, and the detailed report could be found on MHEC's website.

In conclusion, Ms. Lubbers said that at its March meeting the Commission will consider for final approval Indiana's new strategic plan, "*Reaching Higher, Achieving More*," and will provide an update on actions taken by the General Assembly.

V. CONSIDERATION OF THE MINUTES OF THE DECEMBER 2011 COMMISSION MEETING

R-12-01.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the December 2011 regular meeting (Motion – Rehnquist, second – Moran-Townsend, unanimously approved)

VI. DISCUSSION ITEMS

A. Purdue University's Decadal Funding Plan

Dr. Córdoba presented the Plan and spoke about the goals of Purdue University. The first goal is to maintain the value of a Purdue University degree, so that the graduates would be attractive to recruiters and businesses; and that Purdue would continue to attract top students throughout the state.

The second goal is to increase quality in academics, which cannot be achieved without insuring that Purdue faculty is of the highest quality, as is their instruction and research. The third goal, mentioned by Dr. Córdoba, is to contribute to the economic development of the state. With more than \$4 billion in economic contributions to the state and the estimated employment impact of about 55 thousand jobs, the success of Purdue University is closely tied to the success of the state.

Dr. Córdoba said that in 2007 Purdue University embarked on the strategic plan. She spoke about the three main goals of the plan: launching tomorrow's leaders, discovery with delivery, and meeting global challenges.

Dr. Córdoba showed several slides with metrics included into their strategic plan. She spoke about the summary of the areas that are very important to Purdue: student success, faculty resources, research expenditures, economic development, and financial resources. One of the slides was comparing Purdue ten years ago with Purdue today, indicating progress in all these areas. Dr. Córdoba stated the current student retention rate at Purdue is over 90 percent, which is the highest in the university's history.

Dr. Córdoba showed a slide that summarized the challenges facing the university's growth opportunities. She pointed out the two predominant trends: the trend of state appropriations over the past couple of decades, which is headed downwards; and the trend of rising tuition and fees. The path of rising tuition and fees is faster than the consumer price index, and even faster than the higher education price index.

Dr. Córdoba presented a "scissors chart", which showed tuition and fees, as well as state appropriations. Dr. Córdoba said that starting in 2001-02, state appropriations were not equal to Purdue's tuition and fees, so the university is working on other sources of income, especially philanthropy. Purdue's public endowment is 11th among public universities, with just over \$2 billion.

To illustrate it in another way, Dr. Córdoba showed a pie chart, which explains the sources of funding for the general fund. 90 percent of the general fund comes from two sources: tuition and fees, which is 60 percent, and state funds, which are about 30 percent. Dr. Córdoba told the Commission that a year ago in her State of the University address she challenged the university to "look where the puck was going and to skate toward this direction" over this ten-year period.

Dr. Córdoba reminded the Commission that every two years Purdue prepares for the biennial budget process. They completely focus on that and on what level they can encourage the state to keep supporting the university, as well as how they set tuition and fees. This time, however, they wanted to take a much longer view than that, and

the result of it is the decadal funding plan, with goals to double the university's resource capacity, including cost cutting, cost containment and generating new revenue.

Dr. Córdova explained how the ten-year plan had been devised. She said that last spring many groups within the university, as well as the stakeholders, got together to talk about the revenue generation. They had about 13 various subcommittees, which were cross-disciplinary across the academy; students, faculty and staff were also involved. About 60 ideas had been generated through the entire university, and during last summer the financial office and other administrative offices at Purdue analyzed which of these 60 ideas were truly pointed at quality, institutional mission, and revenue generation.

Dr. Córdova said that the university ended up with ideas in three categories: Efficient and Effective Purdue, Global Purdue, and Innovative Purdue. There are also three main initiatives under each of those categories, so in total the university has nine big ideas that it wants to launch out on. Dr. Córdova pointed out that this planning received such positive reception on the campus and with the trustees, that what they made a commitment every two years to renew and refresh the decadal funding plan approach, to see how well the university is doing with the goals that were set out two years previously, and what new opportunities could lie ahead.

Dr. Córdova gave a summary of each category. She spoke about sustaining new synergies and seeking ways to sustain the plan through cost savings and cost containment in the area of university operations. She said that Purdue saved in their present annual budget \$67 million through this process, and plans to continue doing this.

Then Dr. Córdova spoke about the second initiative called The Academic Program Assessment. This is an internal evaluation of more than three hundred degree granting programs to ensure that the strongest programs are well supported, and less effective programs are improved or modified.

The next initiative is called Improving Utilization of Assets. Dr. Córdova spoke about the Balanced Trimester Program, the initiative that Purdue recently announced. At present, the summer programs are being utilized only at seven percent of the credit capacity of the other two semesters. By using campus facilities with the greater efficiency and having a lot of students on campus in summer, Purdue can generate substantial revenue and it will also boost the local community. The trimester format will provide scheduling flexibility for the faculty and for the students who study abroad and have research and community service experiences. The students who will take advantage of this program and study every summer can finish in three years instead of four.

Dr. Córdova showed a graph that illustrates the anticipated growth of cumulative credit hours over a decade as they replace two 15-week semesters with three 13-week trimesters. Ultimately, they anticipate that the summer semester will reach 70 percent of the fall credit hours. This will mean that 20 thousand students in residence will be added, and there will be 25 percent more credit hours per year. The net revenues they expect to generate each year, realizing that there is a cost for adding

faculty and staff, is at least \$40 million annually, which is a very conservative estimate.

Dr. Córdova spoke about the initiatives called Global Purdue, which are still in the planning stages. Purdue is developing business plans for these global initiatives and making sure they design programs that enhance the brand, maintain quality of Purdue education and generate new revenue.

The final set of initiatives is called Innovative Purdue. Two weeks ago Purdue announced the Innovation and Commercialization Center, or ICC. It is designed to move the process of discovery to delivery, to help an idea to be commercialized much more quickly, and to spur economic development of the process, as well as increase revenue for the university. The ICC will operate as a coordination and information clearing house for Purdue University commercialization and entrepreneurial outreach programs. It will offer grants for testing concepts, for developing prototypes and partnerships. It will offer business assistance and market assessment, intellectual property protection, legal and regulatory help in communication and marketing. All of the funding to launch this Center is private and came from several alumni.

Dr. Córdova spoke about the Purdue Applied Research Institute. Its goal is to perform contract research for companies, as well as government agencies outside the academic enterprise. This Institute will be able to work with sponsors that need secure facilities in operations, exclusivity clauses, publication restrictions, intellectual property assignments and other restrictions as business considerations dictate.

Next, Dr. Córdova spoke about the International Academy, which is also in the early stages of development. The goal of this initiative is to feature some of the top educators in an environment with minimal student interaction. The courses are being designed in a modular format to fit the interactive benefits of online communication. As an example, Dr. Córdova mentioned a course called Basic Concepts of Nano-Electronics, which is being taught by an award winning researcher, Distinguished Professor of Electronic and Computer Engineering Dr. Supriyo Datta, and has more than 500 students worldwide enrolled in it. Dr. Córdova said that earlier this week Dr. Datta was named a member of the National Academy of Engineering, which is the top honor an engineer can receive in the academy.

Dr. Córdova concluded by saying that the decadal funding plan reaches across many years and many areas within Purdue. The principal enablers of this plan are: private giving, information technology, legislative support, and transformative budget model.

Ms. Moran-Townsend congratulated Dr. Córdova on a very thoughtful plan.

Mr. Bland asked for more details on the West Coast Initiative. Dr. Córdova responded that Purdue initiated the West Coast Partnership Center two years ago. The director is a Purdue alumnus, John Boyle. There are several large companies next to the West Coast Center, and Purdue interacts with its alumni there, bringing its faculties out to show what Purdue is doing in Indiana, to get them to collaborate with the university, possibly providing some funds, mentoring and connections.

Dr. Scheller asked whether the credit hour plot includes three trimesters or just the summer trimester. Dr. Al Diaz, Executive Vice President for Business, Finance and Treasurer, Purdue University, responded that the actual plot is for the summer trimester. Dr. Scheller asked about the projected tuition. Dr. Córdova responded that the projected tuition rates increase will be 2.5 percent.

Ms. Odum asked Dr. Córdova to share with the Commission the ideas on re-launching of Purdue online and on the work of the International Academy. Dr. Córdova responded that International Academy is a much localized part of the online programs. The reason why Purdue has the International Academy as a part of the Innovative Purdue is that it is easier and faster to launch something very specific with the kinds of faculty they have, and to do it through Innovation Center, where they have partners, audience, and customers who want this right away.

Ms. Duarte de Suarez asked about the educational component of the Applied Research Center. Dr. Córdova responded that this would not have happened without the faculty leadership. Dr. Córdova also said that students are already very involved in the Innovation and Commercialization Center; they want to be inventors, entrepreneurs, they are developing business plans for the new businesses. The Center is developing from the ground up, and Purdue is putting some money into really interesting ideas to see where they will lead.

Mr. LaMothe also complemented Dr. Córdova on the presentation. He asked what Dr. Córdova sees in terms of the Purdue Footprint. Dr. Córdova responded that Purdue has a huge reputation abroad, which has encouraged students to apply widely; this is why Purdue's numbers are growing. She said that the goal is to reach families and companies. Dr. Córdova gave a few examples of Purdue's reaching out to families of their students from other countries, and how some of these families brought their companies to Indiana. Dr. Córdova also mentioned that two years ago Purdue developed World Policy Research Institute, and the director has made many connections with the companies abroad.

Ms. Moran-Townsend asked how the new trimester system in Purdue might affect the system of semesters in high schools. Dr. Córdova responded that the models of education are changing worldwide, and it is important that the university and high schools work together to use that change to provide more opportunities for students.

Dr. Córdova acknowledged Mr. Hansen and his leadership.

B. Issues Related to Distance Education Programs

1. Pricing of Distance Education Programs: Issues Raised by Four Master's Degrees

Dr. Ken Sauer, Senior Associate Commissioner, Research and Academic Affairs, Commission for Higher Education, presented this item. He showed the Commission the table with the pricing of distance education programs and said that this table has been discussed by the Academic Affairs Committee on two occasions. The additional fees per credit hour for the Indiana residents taking their degrees via distance education range from an additional five percent to 200 percent. After a student takes all credit hours needed to complete the program,

with the additional fees this student would need to pay from \$600 to \$2,000 more by the end of the program.

Dr. Sauer said that with respect to the fees that apply to non-residents, there is a mixed pattern. In two cases, the non-residents who take this program via distance education get a discount and pay less than the non-resident students who would take this program on-campus. In another case, they pay the exact same fee as the students would pay on-campus. And in one other case there are some additional fees that a non-resident would pay for taking the courses via distance education.

Dr. Sauer explained that the following discussion item deals with an undergraduate program, B.S. in Psychology. Dr. Sauer pointed out that in this case, the Indiana resident who would take this program via distance education would pay a fee of additional \$30 per distance education course.

Dr. Sauer said that the purpose of this table is to raise more questions. The intent is to have this table serve as a catalyst for the conversation. Dr. Sauer added that representatives from the institutions were present at the meeting to discuss these issues and answer the questions that may be raised.

Ms. Moran-Townsend said that the Commission is also looking at the issues that are beyond the fee amount, such as issues of duplication. Ms. Moran-Townsend added that she hoped that together the Commission and the universities will develop a policy in this fast moving area, and this will be possibly a forever evolving policy, since this is an evolving subject.

Dr. Sauer added that the Commission's staff had been working with many questions, which are leading to further conversations related to how distance education might be coordinated in the state.

Dr. Dale Whittaker, Vice Provost for Undergraduate Academic Affairs, Purdue University, spoke about Purdue's M.S. in Computer Science, presented in the table. Dr. Whittaker began by saying that he would like to make sure the Commission members understand the difference between the undergraduate programs and courses that are really mission-focused in Indiana. As an example, he mentioned that the traditional professional Master's degree that everybody is aware of is the MBA (Master of Business Administration). Purdue has the Executive MBA, which has been offered for a number of years; typically, the total tuition would be \$40,000-60,000. This program competes with similar programs across the country. Purdue's professional Master's degrees are very different from their Master's of Science, which are research-based.

Dr. Whittaker said that, at the undergraduate level, their trustees have decided that Purdue's distance learning rates should be the same for all the on-campus students, both resident and non-resident. As to off-campus rates, an out-of-state distance learning student pays 1.5 times more than an Indiana resident distance learning student. The same applies to the Master of Science, so these rates are set in the same way. The difference is with the professional Master's degrees. In this case it doesn't matter whether it is on-campus delivered program, or distance delivered program.

Dr. Whittaker pointed out that the program included in the table is priced at \$1,032 per credit hour, which is approximately \$30,000 for the package. He said that Purdue has a number of other Master in Engineering programs, for example, Aero and Astro Engineering, Chemical Engineering, etc.

Dr. Whittaker explained how the students pay for their tuition. Two or three percent of the students enrolled in these programs pay their own tuition for the professional Master's. 45 percent of students are contracted by the company, so the company pays Purdue to deliver the program to their employees. 40 percent of the students in these Master's programs pay half of their tuition, and their companies will pay half.

Dr. Whittaker said that Purdue is moving towards delivering these programs via distance education. They anticipate that between 10 and 20 percent of the students will be from Indiana, and between 80 and 90 percent of the students will come from all over the world. The university anticipates a very strong international market for the Master's in Computer Science.

Dr. Whittaker repeated that the table is comparing two totally different types of programs.

Ms. Odum asked about the reason for charging Indiana residents \$1,032 per credit hour. Dr. Whittaker responded that this program is priced the same for everyone. Ms. Odum pointed out that Purdue is using the resources that are in part supported by the state, and usually there are differences between a resident cost and non-resident cost. Dr. Whittaker said that these are entirely free-standing self supporting revenue returning programs. These programs return revenue to the mission-oriented programs, like undergraduate education. All of the distance education technology that is being used in the classroom by on-campus students is supported by the revenue generating program like this.

Ms. Odum said that this is good to generate revenue that can be used for good purposes; however, that does not answer the question why there is no difference in tuition rates between a resident of Indiana taking a course from Purdue online and anyone else in the world taking this course. Dr. Whittaker said that there is a difference in pricing between professional Master's degree and regular Master's degree.

Ms. Moran-Townsend said that the other three universities, represented on the table, (ISU, IU, and IUPUI), are charging non-residents either the same or significantly less for distance education, whereas Purdue is charging more. Dr. Whittaker explained that he was trying to show that there is the difference between the Master of Science in Economics and a professional Master's degree. For regular Master's degree Purdue is charging \$550 for non-residents for distance education. Dr. Whittaker agreed with Ms. Odum's comment that there should be a discount of 10-20 percent for Indiana residents.

Ms. Odum said that, as President Córdova spoke about the strength of Purdue internationally, Purdue has taken the market approach, and that is why they are

charging \$1,032 instead of \$916 for a non-resident. Dr. Whittaker agreed that this was the reason, and that is what they have been doing for years.

2. Collaboration among IU Regional Campuses in Offering Distance Education Programs

Dr. Sauer presented this item and said that the question is how the need to collaborate and coordinate within the IU system has been implemented. Another question was the current status of IU Plan toward offering distance education programs through the regional campuses.

Dr. Sauer said that some of the regional campuses do not have the resources to offer a full-blown program in isolation. Dr. Sauer brought as an example the model that Ivy Tech adopted some years ago with its plan for delivering distance education programs. Ivy Tech is offering distance education programs on a system-wide basis. All campuses participate in this offering; faculty from various regions and campuses are utilized in a coordinated manner, so that distance education programs can be widely available and all of the courses can be offered on a regularly scheduled basis.

Dr. D'Amico said that she thought there was a Commission policy that prevents the Regional campuses collaboration. Dr. Sauer assured her that from the Commission's point of view there is nothing in the policy to prevent multiple IU campuses from collaborating in the offering of any program, either on campus or via distance education.

Dr. Barbara Bichelmeyer, Associate Vice President for Academic Planning and Policy, spoke to the subject. Referring to Dr. D'Amico's comment, Dr. Bichelmeyer said that online education is helping Indiana University (IU) to explore ways to change the traditional operations, as well as in all institutions across the state. The online education changes the dynamic from geographic boundaries to virtual world and crosses boundaries very easily. Dr. Bichelmeyer said that IU recognizes the opportunity of online education, and it helps the campuses establish efficiencies that were not previously possible. IU is primarily an on-campus and resident serving university. With the Blueprint, and the new office for online education, the University has been exploring the possibilities to serve their students effectively and efficiently and to reach out to new markets.

Dr. Bichelmeyer spoke about the approaches and strategies that would best serve their goals. The most common one is for the individual campus to offer a program with the recognition from other campuses that those programs serve the need. Dr. Bichelmeyer gave an example of IU East, which has moved to the online market very quickly, while other IU campuses have approved and supported IUE moving these programs forward.

Second approach, of which Dr. Bichelmeyer spoke, is for an individual campus to offer a boutique program that meets the regional need. Dr. Bichelmeyer gave an example of IU Kokomo, where there was a need for new engineering type programs to address changes in the economic environment and provide work for the automotive industry in that region.

Dr. Bichelmeyer gave a few more examples of regional campuses creating online programs addressing the needs of certain regions, while utilizing faculty across the campuses to meet those needs.

Dr. Bichelmeyer said that it is important to try the strategies that are appropriate both for the curriculum involved in it and the market the University is trying to reach. She asked the Commission to support and help the University to determine what the markets are and how these strategies fit. Referring to Dr. D'Amico's comment, Dr. Bichelmeyer said that historically the programs for Ivy Tech are being approved on the statewide level. With four-year institutions, the programs are being approved on a campus by campus basis, and there is no disconnect between what can be done and how it can be organized based on IU's internal agreements.

Mr. LaMothe said that he fully supports the new technologies; however, he was concerned whether the student who is taking a course via distance education is going to get the same quality education as the student who is in the classroom. In response, Dr. Bichelmeyer spoke about the three factors that drive quality in IU system: knowing the learning outcomes; having faculty who are prepared and are able to deliver that curriculum; and finally, and most importantly, interaction.

Interaction is an online setting when a faculty cannot see the student, but he knows that the student is present and engaged. It costs more to establish interaction between a faculty member and a student in the online environment. Technology can build the same interaction as faculty members can.

Ms. Lubbers suggested that it might be helpful to invite some representatives from Carnegie Mellon University, who can talk about using online in a way of improving student learning. Ms. Lubbers said she heard them speak, and she was very impressed, because she never thought that technology can be used to improve student learning in the right circumstances.

Dr. Bichelmeyer added that interaction also provides a feedback.

Ms. Odum commented on Dr. Bichelmeyer's suggestion about having flexibility to try out some online courses and learn whether they are effective or not.

Dr. Bichelmeyer said she would welcome an ongoing conversation, because there is a lot to learn from every perspective.

C. Learn More Indiana Indiana's Cash for College Campaign

Mr. Jason Bearce, Associate Commissioner for Strategic Communications and Initiatives, presented this item. He began by stating that roughly two thirds of college students in Indiana graduate with debt. The most recent numbers indicate that Indiana was 13th nationally in total college debt load, and has now moved to 8th place. The amount of debt was \$25,000; now it is roughly \$27,000. Indiana is the third highest in the nation in student loan default rates, and the class of 2011 is the most indebted class in U.S. history.

Mr. Bearce said that a public awareness campaign cannot be expected to fully address the problem, but it has an important role to play to get the message out and help students make smart choices. He spoke about Learn More Indiana's Cash for College campaign as one of the three annual campaigns, along with College GO! Week, which starts in January and continues until the March 10th financial aid deadline. In spring and summer Learn More Indiana is re-launching the KnowHow2Go Campaign, which helps students to be ready in the fall.

Mr. Bearce said that the three principles of these campaigns are that there is a clear college success focus for each campaign: planning, preparing and paying. Most importantly, Learn More Indiana understands that there is only so much that can be done at the state level and in Indianapolis, so the idea is to put this in the hands of the local communities and individuals, who can take this information and do some really powerful things with it.

Mr. Bearce mentioned that Learn More Indiana is building a brand around these campaigns, so that they are readily identifiable and get students thinking about the right steps. Each of the campaigns is color-coded, and all the websites and all the materials have the consistent look and feel. Each campaign gives the information that is critical for this particular time of the year.

Mr. Bearce said that right now Learn More Indiana is in the process of launching a new website. All the information of these campaigns and resources will be compiled in one simplified fashion.

Mr. Bearce spoke about the importance of setting clear goals for every grade level. In elementary school, the Cash for College Campaign stressed college savings plans and helps families understand the importance of opening savings plans for their children. In middle school, Learn More Indiana continues talking about the college savings, but starts telling the families about budgeting, financial literacy and money management. This is the time when eligible students enroll in the 21st Century Scholars Program, so Learn More Indiana makes sure the students are aware of this opportunity, as well.

The goal for high school is called "Prepare to Pay." This goal is to get very specific in terms what needs to be done, starting from grade 9, when the students are completing or updating their graduation plans, to make sure these plans align with their aspirations with higher education. Learn More Indiana explains to students the importance of having the Honors Diploma in order to be accepted to IU Bloomington or Purdue West Lafayette.

Mr. Bearce spoke about the Indiana College Costs Estimator, which makes it easier for families to compare college costs. The students can also see the available federal and state aid, as well as various scholarships.

Mr. Bearce said that in grade 12 Learn More Indiana makes sure that the students complete their FAFSA application for Federal student aid by the state's deadline on March 10th; and they not only try to increase the number of students completing the FAFSA, but make sure they file the form correctly and on time.

Mr. Bearce pointed out that even current college students are expected to fill out the FAFSA form every year if they want to continue receiving financial aid. Also, Learn More Indiana is trying to persuade full-time students to take at least 15 credits per semester, to be full-time students in order to complete on time. Learn More Indiana has also done a lot to make sure many of the schools offer the students an opportunity to take additional credit hours at no additional cost. Students are being made aware of trimester schedules and summer classes that are available at a lower cost in many colleges.

Mr. Bearce also mentioned that there is a lot to be done in helping students to settle on a specific career or program interest, so that they will not have to change their majors after a year or two on campus.

Mr. Bearce showed the campaign creative materials he brought with him to the meeting. The posters referred to the websites. Mr. Bearce also mentioned Starter Guide, which is being sent to schools, and is also available online. Mr. Bearce said that Learn More Indiana was hosting a free FAFSA Friday webinar, where experts will be helping students across the state in filling out the form. This is done in partnership with the 21st Century Scholars Program. Learn More Indiana is also partnering with College Goal Sunday, and the students can visit their 40 locations throughout the state.

Mr. Bearce spoke about the College Savings Plan contest for students at every grade level. Any prize money in this contest will be in the form of a college savings plan. Mr. Bearce also mentioned a phone application for the College Costs Estimator, which can be downloaded to any phone, and is very user friendly.

In closing, Mr. Bearce stated that Learn More Indiana and the Commission see this issue of college debt and college affordability as a shared responsibility between the students, the state and the institutions. Mr. Bearce mentioned bills currently going through the General Assembly regarding controlling credit creep and streamlining transfer. He said that the state is asking Indiana institutions to align their credit requirements, so that students would graduate on time if they take 15 credits per semester. Mr. Bearce also mentioned the importance of having the courses available when the students need them.

Mr. Hansen asked whether several websites mentioned in this presentation could be accessed from the Learn More Indiana site. Mr. Bearce responded in affirmative. Mr. Hansen asked why Learnmore.org is not being used for all the higher education needs. Mr. Bearce assured him that it will be this quarter once the new website goes live. Mr. Hansen asked whether the Commission controls the College Costs Estimator. Mr. Bearce explained that Commission does not own it, but licenses it, and makes it available for free.

Ms. Odum asked whether the fact that Indiana went from 13th to the 8th place in student debt is a direct or indirect indicator that Learn More Indiana is not having the impact it would like to have. Mr. Bearce said that it is important to keep in mind the fact that Indiana's per capita income is very low, and that in Indiana there are more first generation students. Mr. Bearce said he sees Indiana's debt ranking as a call to action regarding the importance of getting this information to people.

Ms. Odum pointed out that the Commission still needs to find some kind of hard metric that can be used as a guide post and do benchmarking. Ms. Odum said that she was hoping that Learn More Indiana is working on a more tangible way to measure its performance. Mr. Bearce responded that Learn More Indiana has all metrics that marketers use, like website hits, survey responses, etc., and they all are trending upwards. However, at present, Learn More Indiana cannot directly connect those to higher completion rates, or lower the rates, but this will happen eventually.

Ms. Lubbers commented that Indiana's per capita personal income ranking in terms of the default rates and in terms of loans cannot be discounted. However, a lot of time had been spent in the past with efforts from Learn More Indiana, to get people academically prepared to go to college; and now the goals are for the students to be successful in the college, making smart choices about money. Ms. Lubbers said that, because of these campaigns, the students are becoming aware of those smart choices. Ms. Lubbers added that if the per capita personal income of Hoosiers is not going to change in a year or two, it cannot be expected that the debt load is going to change because of these campaigns.

Ms. Odum said that the Commission needs to hold itself to some goal setting. Mr. Bearce responded that the Commission needs to hold its local partners accountable, as well. Talking about debt is a relatively new conversation the Commission is having publicly. Mr. Bearce agreed that more tangible metrics are necessary.

Dr. D'Amico said there has to be a deeper discussion about this subject. Mr. Bearce said that he welcomes that discussion.

Mr. LaMothe said that about ten or fifteen years ago the debt was about \$13,000. This is not a sustainable model for universities, or the government, or parents and students. It is important to bring the change.

Mr. Hansen added that student loan and default just recently surpassed credit card debt. He also added that recently the United States passed a one trillion dollar mark for the amount of debt that the students have.

Ms. Lubbers said that the tuition is a part of that. She added that it is important to find metrics that are appropriate for measuring this campaign. Ms. Lubbers pointed out that the campaign is moving in the right direction. Incredible improvements have been made, and the local communities are now using these campaigns. However, Ms. Lubbers agreed that metrics are important.

D. North Campus Residence Hall – Indiana State University

Dr. Diann McKee, Vice President for Business Affairs and Finance and Treasurer, presented this project.

Mr. Hansen asked the percentage of the occupancy. Dr. McKee responded that the expected occupancy of the new residence hall is 100 percent.

Ms. Odum asked whether the new hall will represent about 10 percent of the current available beds. Dr. McKee responded in affirmative. Ms. Odum pointed out that the new hall will be in contrast with existing residence halls, and this might create some

challenges for the university, since 90 percent of the students live in much more basic residence halls, while the new residence hall will be an upscale facility. Dr. McKee responded that in the last two years they had renovated two existing structures that have approximately 500 beds; these halls are very serviceable and nice. Dr. McKee said that the design of the new residence hall is not lavish. She agreed that there will be single rooms in the new hall; and students who will live in those rooms, will pay a premium to do so. Dr. McKee added that for the university this is the first step in renovating all the existing housing.

E. Boiler Plant Project (Geothermal) – Ball State University

Ms. Gretchen Gutman, Associate Vice President for Government Relations, presented this project.

Mr. LaMothe asked when this project becomes active. Ms. Gutman responded that it depends on funding. If the funding is received, the project will be completed by 2014-15.

F. Master Capital Plan for Indiana State University

Dr. McKee presented this plan. She said that the previous Master Plan ISU had in 1984, which was updated in 1996, literally transformed the face of Indiana State University. It enabled the University to move from what was very much a vehicular campus, with city streets going through the center of campus, to a campus that is green and much more pedestrian-friendly. Over 90 percent of that particular Master Plan was accomplished.

In 2008, when Dr. Bradley was appointed as the 11th president of ISU, the University undertook an effort to design a new Master Plan, along with creating a new Strategic Plan, which is now known as The Pathway to Success.

The Master Plan was approved by the University's Board of Trustees in December 2009, and is available on ISU's website. Dr. McKee spoke about the Master Plan process, including the retention of architects to assist ISU in developing a Master Plan and to do a general assessment of campus conditions.

Dr. McKee explained that, as a result of the information gathering, the architects came up with the thought that the scale of the campus is appealing to students, faculty and staff, and that the university does not have to become bigger. The stadium should be closer to the main campus area; and developing activities for the students over the weekend was an important factor, as well. There was also a need to have more diverse housing options, as well as a desire for a number of academic physical improvements.

Dr. McKee spoke about the University's guiding principles, or Master Plan Tenets. She said that non-residential facility square footage will remain at the level of 2009. Dr. McKee mentioned that having a vibrant and engaged central business district in Terre Haute helps enhance the perceptions of ISU.

Dr. McKee showed the Commission an illustrative map of the campus, pointing out the buildings which would be slated for potential renovation. Dr. McKee spoke

about the Master Plan's components; she showed the Commission some renovated academic buildings, as well as some older buildings on campus. Dr. McKee spoke about some residential areas and dining facilities in need of renovation to create more space. She also spoke about the athletic area, which is a multipurpose venue. Dr. McKee added that some of the facilities need to be relocated in order to create more parking on campus.

Ms. Odum asked whether this was a long-term plan. Dr. McKee confirmed that it was.

G. Master Capital Plan for Purdue University – West Lafayette

Dr. Ken Sandel, Director of Physical and Capital Planning, Purdue University, presented this plan. He explained that Purdue University's campus master planning process is a part of an integrated process that takes a more holistic view of the university. This process brings together and utilizes many planning efforts on campus including development of the University's legislative capital request, biannual operating budget request, internal budget process, as well as academic space management. Dr. Sandel mentioned various campus initiatives, such as the Sustaining New Synergy efforts and Decadal Funding Plan. Those initiatives focus on cost savings, cost containment, and ways of generating revenues.

Dr. Sandel said that their master planning efforts have included development of the strategic framework for campus-wide energy management, which the University calls their comprehensive energy Master Plan. Dr. Sandel said that this Plan has been posted on Purdue's website for public comments; they will review these comments before finalizing the plan later this spring.

Dr. Sandel spoke about the history of Master Plans that date back to 1924, when the first campus plan was prepared. In 2002, in anticipation of the growth in the development and research area, Purdue modified the plan to look to possible sites for development, and that is how the Discovery Park was developed.

Purdue's most recent plan was developed in 2009. This was a system-wide effort and the goal was to develop a sustainable Master Plan for all campuses in the Purdue system. Dr. Sandel said that their Master Plan developed a set of five core principles:

- 1) To promote compact growth within the existing campus.
- 2) To create more pedestrian-friendly campus.
- 3) To create program synergies through mixed use of districts.
- 4) To encourage a simple integrated transportation system.
- 5) To preserve the western land.

Dr. Sandel spoke about the process the capital projects go through to reach the Ten Year Capital Plan, which is being brought before the Commission.

Dr. Sandel said that they believe the goals of Purdue University are identical with some of the Commission's objectives of "*Reaching Higher*" initiative, moving from access to success and strengthening Indiana's major research universities.

Dr. Sandel showed a few slides related to current projects that connect to their Strategic Plan. He spoke about the Student Success issues that are currently under review, as well as about creating more collaborative classroom space and addressing deficiencies in the University's current classrooms.

In the areas of research, Dr. Sandel noted that in the past decade Purdue has doubled its sponsored programs, and this trend is continuing. He showed some slides on the projects that are under construction and in planning. The key research planning issues include updating aged and outdated lab space, creating a flexible space that can adapt to changing needs, and insuring that infrastructure is in place to support research needs.

Dr. Sandel said that the capital planning issues that Purdue is addressing at present time and that are related to Global issues, include the importance of supporting the need for distance education, online learning and conference activities.

Next, Dr. Sandel spoke about Repair and Rehabilitation, which is a significant issue for Purdue and the main focus in their capital planning area. Dr. Sandel said that Purdue has 11 million square feet of facilities in infrastructure dedicated to the University's academic mission.

In conclusion, Dr. Sandel said that by renovating and replacing facilities, Purdue can reduce the current R&R backlog, reduce the new operating cost, and eliminate old inefficient space. When the new, more energy efficient space is added, Purdue will sustain and renew their current investments. For all Purdue campus development the goal is to achieve environmental and financial sustainability.

Mr. LaMothe asked whether Purdue has completed a ten-year Master Plan. Dr. Sandel responded that they completed their current Master Plan in 2009. The Master Plan just guides their development and connects closely to their Strategic Plan. Mr. LaMothe asked whether they have completed the Capital Plan. Dr. Sandel responded in negative.

Mr. LaMothe asked whether Purdue has an estimate of what the number of the total Capital Plan is going to look like, when they begin to match the building plan with the Capital Plan. Dr. Sandel responded that they are getting closer to that every day.

Mr. LaMothe made a comment on Dr. Sandel's question at the end of his presentation regarding the state's ability over the next decade or two to participate as a partner with the universities in all of the capital requests. Mr. LaMothe pointed out that to find the answer there has to be an active discussion with the universities and the legislature.

Ms. Odum asked whether they are going to have the Ten Year Capital Plan completed prior to the submission in the next biannual budget. Dr. Sandel responded in affirmative, and assured Ms. Odum that it will be shared with the Commission.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Bachelor of Fine Arts To Be Offered by Indiana University Kokomo at Kokomo

Dr. Michael Harris, Chancellor, IU Kokomo (IUK), presented this program proposal and said that this new program is within the understanding of what the regional campus needs to be, based on the Commission's guidelines on policies for regional campuses and the Blue Print of the Indiana University system. Dr. Harris said that at IUK they care very much about transforming the region as they move from the economy of traditional labor into an economy of innovation and entrepreneurship. Dr. Harris added that IUK serves 14 counties in their region.

Mr. Hansen thanked Dr. Harris for promoting innovation and creativity in the region, and specifically for including with the information about the program the demand and employment factors in Indiana and the campus service region.

Mr. LaMothe asked about the additional costs embedded in implementing this program. Dr. Harris responded that no additional costs are involved. He also explained the difference in BA (Bachelor in Arts) and BFA (Bachelor in Fine Arts), and said that BFA has fewer general education courses and more specific courses in art.

Dr. Sauer offered some background information regarding creating the proposed program and gave the staff recommendation.

Dr. D'Amico voted against this degree program, and explained her vote by saying that the focus of the regional campus should be on the workforce and economic development. Dr. D'Amico said she does not think that this program does that, or that it is transforming the region.

Dr. Harris responded to Dr. D'Amico's comment by saying that, in his opinion, IUK is tuned to the needs of the region, working very closely with every employer there.

R-12-01.2 RESOLVED: That the Commission for Higher Education approves the *Bachelor of Fine Arts (BFA)* to be offered by Indiana University Kokomo at Kokomo, in accordance with the background discussion in this agenda item and the *Abstract*, January 27, 2012 (Motion – Hansen, second – Scheller, approved by majority of votes)

2. Doctor of Philosophy in Educational Administration To Be Offered by Indiana State University at Kokomo in Partnership with the Kokomo-Center Consolidated School Corporation

Dr. Susan Powers, Associate Vice President, Academic Affairs, Indiana State University, introduced this proposal.

Dr. Brad Balch, Dean of the Bayh College of Education, gave more details regarding this program proposal. He also invited Dr. Dawn McGrath, Superintendent of Kokomo-Center Township Consolidated Schools Corporation, and Mr. Charles Brimbury,

Superintendent of Peru Community Schools, to make some brief comments in support of this program.

Ms. Odum said she was surprised to see among the expected enrollment people who are working full-time. Dr. Balch responded that the residency component requires the students take semesters at full-time enrollment during this cohort-based commitment in the Kokomo area. Ms. Odum wanted to make sure that a person wanting to take this program would have to take a leave from their full-time job to complete the requirements of this program. Dr. Balch confirmed that there is a requirement of a full-time commitment during the residency period, which lasts over two consecutive semesters.

Mr. LaMothe asked whether this program is based at Indiana State University and is being offered at Kokomo for a cohort of teachers, or whether it is going to remain in Kokomo for good. Dr. Balch confirmed that this is a one-time program in response to a request.

Dr. Sauer gave the staff recommendation.

R-12-01.3 RESOLVED: That the Commission for Higher Education approves the *Doctor of Philosophy (Ph.D.) in Educational Administration* to be offered by Indiana State University at Kokomo in Partnership with the Kokomo-Center Consolidated School Corporation, in accordance with the background discussion in this agenda item and the *Abstract*, January 27, 2012 (Motion – Rehnquist, second – Hansen, unanimously approved)

3. Academic Degree Programs on Which Staff Propose Expedited Action

Mr. Sendelweck presented a list of degree programs for expedited action.

Dr. Sauer gave the staff recommendation.

R-12-01.4 RESOLVED: That the Commission for Higher Education approves the following academic degree programs in accordance with the background information provided in this agenda item:

- Master of Science in Technology Management to be offered by Indiana State University at Terre Haute (Motion – LaMothe, second – Scheller, unanimously approved)

B. Capital Projects on Which Staff Propose Expedited Action

Mr. Sendelweck presented a list of capital projects for expedited action

R-12-01.5 RESOLVED: That the Commission for Higher Education approves the following capital projects, in accordance with the background information provided in this agenda item:

- Indiana University – Bloomington Campus: Indiana Memorial Union – Alumni Hall Renovation - \$2,500,000

- University of Southern Indiana – University Center Loft Renovation - \$2,500,000
- University of Southern Indiana – Student Housing Apartment Renovation - \$5,900,000 (Motion – Rehnquist, second – LaMothe, unanimously approved)

C. Telework Policy

Mr. Sendelweck asked for the motion to approve.

R-12-01.6 RESOLVED: That the Commission for Higher Education approves and adopts the proposed *Telework Policy* (Motion – LaMothe, second – Hansen, unanimously approved)

D. Approval of Core to College Grant Coordination Agreement

Mr. Sendelweck asked for the motion to approve.

R-12-01.7 RESOLVED: That the Commission for Higher Education approves the Core to College Grant Coordination Agreement (Motion – Hansen, second – Scheller, 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 December Commission Working Sessions

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

There was none.

XI. ADJOURNMENT

The meeting was adjourned at 12:37 p.m.

Ken Sendelweck, Chair

Jud Fisher, Secretary