

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Friday, June 8, 2012

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:00 a.m. at Indiana State University, Tirey Hall, State Room, 1st Floor, 216 N. Seventh St., Terre Haute, IN 47807, with Chair Ken Sendelweck presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Gerald Bepko, Dennis Bland, Carol D’Amico, Susana Duarte de Suarez, Jud Fisher, Keith Hansen, Chris LaMothe, Marilyn Moran-Townsend, Chris Murphy, Eileen O’Neill Odum, George Rehnquist, Kent Scheller, Ken Sendelweck and Mike Smith.

III. CHAIR’S REPORT

Mr. Sendelweck invited Dr. Jack Maynard, Provost and Vice President for Academic Affairs, Indiana State University, to give welcoming remarks. Dr. Maynard welcomed members of the Commission on campus.

Mr. Sendelweck announced that this was Mr. Hansen’s final Commission meeting. He asked Dr. Scheller to read resolution in his honor.

R-12-4.1 **WHEREAS** Keith Hansen has served with distinction on the Indiana Commission for Higher Education since his appointment as student representative in 2010; and

WHEREAS he successfully planned and hosted the 2011 Student Leadership Conference and served as a panelist for the 2012 Weldon Conference on Higher Education; and

WHEREAS he was actively engaged in helping the Commission to update its strategic plan, *Reaching Higher, Achieving More*; and

WHEREAS Keith has consistently emphasized that degree programs need to clearly state learning outcomes and competencies that students will master as a result of completing their degrees; and

WHEREAS he has been effectively focused on reducing the costs to students of obtaining an education and their debt burden upon graduation; and

WHEREAS Keith has been an exceptional and forceful spokesperson for a variety of measures relating to student success, including his

persuasive and public advocacy during the past legislative session for re-establishing 60- and 120- credit hours as the standard expectation for associate and baccalaureate degree programs, respectively;

NOW THEREFORE BE IT RESOLVED, that the Commission for Higher Education expresses its appreciation for Keith Hansen’s service to the State on behalf of Indiana higher education, including its institutions and students, and wishes him every success in medical school (Motion – Scheller, second – Smith, unanimously approved)

Mr. Hansen thanked the Commission members and staff for their hard work, and said that applying for the position on the Commission has been the best decision he has made in his life. Mr. Hansen encouraged the Commission members to continue representing students’ voice and making decisions that would lead to the state’s big goal. He also asked that the Commission members put a greater vote into graduate programs.

Mr. Sendelweck asked for the motion in hiring Mr. Chris Enstrom as the new 21st Century Scholars Outreach Director.

R-12-4.2 RESOLVED: That the Commission approves hiring Mr. Chris Enstrom as the new 21st Century Scholars Outreach Director (Motion – Moran-Townsend, second – Scheller, unanimously approved).

IV. COMMISSIONER’S REPORT

Ms. Lubbers expressed great appreciation to Mr. Hansen for the extraordinary service he provided as the student representative to the Commission.

Ms. Lubbers said that Governor Daniels has named Ms. Hannah Rozow, a junior at IU Bloomington, the new student representative for the Commission. Ms. Rozow will be joining the Commission members at the next Commission meeting.

Ms. Lubbers thanked Chair Ken Sendelweck for his positive and constructive leadership during the course of the last year.

Ms. Lubbers told the Commission members about her presentation of “*Reaching Higher, Achieving More*” document to the Rotary Club in Muncie a few weeks ago, where she was invited by Commissioner Fisher. She mentioned that next week she will be doing presentations to the Indiana Chapter of the National Federation of Independent Business, as well as participating in a Conexus/IBJ’s business roundtable on workforce issues. Ms. Lubbers pointed out that complementing these presentations, the Commission continues to promote the plan through a variety of state and national media outlets. Ms. Lubbers passed around a list of a few articles that appeared since the last Commission meeting.

Ms. Lubbers brought the Commission members up to date on the ongoing work that is taking place with the Common Core Standards and Assessments. Ms. Lubbers said that this work is accelerating on both K-12 and higher education levels.

Ms. Lubbers added that later this month she will have an opportunity to participate at the PARCC (Partnership for Assessment of Readiness for College and Careers) meeting as the Indiana voting member on the advisory board. There are two Indiana full time contract employees working on

this; one is working with the higher education, and one for K-12. They are facilitating the Commission's efforts and its convenings. As a point of reminder, Ms. Lubbers said that college readiness, according to this initiative sponsored by Achieve, means that a student is academically prepared to enter directly into and succeed at entry level, credit-bearing courses at two- or four-year institutions.

Ms. Lubbers said that the determinations will be made in English language, arts and mathematics. These determinations are not meant to exempt students from the placement tests; nor are they meant for admissions requirements at individual institution's level. However, this work affirms the value of the remediation success metrics that have been included in the Commission's performance funding formula: it also affirms the importance of the work the Commission is doing with colleges and universities to build the general education core curriculum based on learning outcomes.

Finally, Ms. Lubbers provided Commission members with an update on the Commission's recent metrics that are used by the State Budget Agency to evaluate the Commission's progress. The data included: the number of Hoosier Bachelor's degrees awarded each year; public on-time four-year graduation rate; degrees awarded by Vincennes University and Ivy Tech Community College; system-wide debt ratio; and the number of credits successfully transferred from two- to four-year institutions.

In response to Ms. Odum's question, Ms. Lubbers responded that the process that was used to set the goals in all these items needs to be revisited, so that "*Reaching Higher, Achieving More*" strategic document could be aligned with the dashboard the Commission has and with the metrics. Ms. Lubbers agreed with Ms. Odum's request to discuss this subject at the next meeting of the Commission.

Ms. Odum suggested having the contextual universe of the goal in addition to the numbers, to which Dr. Bepko added that the numbers used in this report are based on numbers that were developed even before the first "*Reaching Higher*" document was created. He said it would be important to have one set of figures, which will be compatible with that of "*Reaching Higher, Achieving More.*" Ms. Lubbers explained that these numbers are designed as efficiency metrics to report to the State Budget Agency and the Governor's office, and most of them are included in "*Reaching Higher, Achieving More.*"

Mr. Smith, Mr. Murphy, Mr. Sendelweck and Ms. Duarte De Suarez exchanged a few comments about the dashboard metrics and their connection with the new strategic document.

Referring to Ms. Lubbers' information mentioned earlier in her report, Mr. Bland commented on the importance of college preparation and readiness.

V. CONSIDERATION OF THE MINUTES OF THE MAY 2012 COMMISSION MEETING

R-12-04.3 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the May 2012 regular meeting (Motion – LaMothe, second – Fisher, unanimously approved)

VI. DISCUSSION ITEMS

A. Master Capital Plan for University of Southern Indiana

Dr. Mark Rozewski, Vice President for Finance and Administration, presented this item. The Master Capital Plan can be found on the University of Southern Indiana (USI) website (follow the link below).

<http://www.usi.edu/govrelations>

Dr. Rozewski talked about the history of the University of Southern Indiana, its current enrollment and degree programs. Dr. Rozewski pointed out that USI is by far Indiana's most affordable four-year university, and it is also most affordable in ten-state area of the Midwest.

Dr. Rozewski showed slides of the campus in 2006, as well as slides of the same buildings as they look at present time. Dr. Rozewski spoke about the University's Capital Plan priorities and stated that, in general, the campus is moving into a phase of its development where there is equilibrium between the enrollment and facilities. Focus in the nearest future will involve a renovation and adaptation of the existing facilities.

Mr. Smith congratulated the University on what has been created in such an important and previously underserved part of the state.

Dr. Bepko asked about the amount of the total fee replacement funding currently being paid for buildings at USI; and what percentage of that amount is of the total operating budget. Dr. Rozewski responded that, being relatively new, the campus has more debt than other campuses. He said that the University is planning to do a major refunding of some of its debt in concert with new money bond issue for the new theatre, and this should see some substantial debt service savings for the state.

To a question from Mr. Smith, Dr. Rozewski responded that the total amount of debt that has been incurred is about \$120 million, and \$30 million or \$40 million of this amount might be eligible for refunding.

In response to Ms. Odum's questions, Dr. Rozewski responded that the fact that many of the facilities are new helps the University to stay current on R&R. The University aligns state appropriations, and, in concert with their own resources, they stay on top of renovation issues. Dr. Rozewski said that at that time he did not have an estimate of what the University might need in a few years from now in terms of the maintenance, but he will be happy to share this information with the Commission members at a later time. Dr. Rozewski also commented on raising private funds for the University.

B. Overview of State Financial Aid Policy

Ms. Mary Jane Michalak, Executive Director, ICHE/Division of Student Financial Aid, presented this item.

Ms. Michalak showed a chart of the office of Student Financial Aid, explaining the positions and responsibilities of the staff members. She spoke about the mission of the Division of Student Financial Aid, which is to make college affordable with need-based student grants; allowing choice by granting awards to students attending public, independent and proprietary colleges; and increasing college preparation by giving additional money to students graduating from high school with Core 40 and Academic Honors Diplomas and Twenty-first Century Scholars.

Ms. Michalak talked about the role of Commission members and their main responsibilities, which include setting the annual caps at the June's meeting, and in December/January voting in new members, promulgating the rules, and reviewing third appeals.

Mr. Bland made a comment on the 21st Century scholars program and the importance of the information being conveyed to the students on time.

Ms. Michalak talked about the statutory responsibilities of the Commission members, as well as the additional powers and duties of the Commission.

In response to Ms. Moran-Townsend's concern about the Commission's new roles and responsibilities, Ms. Michalak said that the Commission members will be mostly involved with the policy decisions.

Ms. Michalak presented a few sets of metrics. Responding to a request from Dr. D'Amico to clarify the utilization rate going down within the last two years, Ms. Michalak explained that every year SSACI offers more money than it has available for the Higher Education and Freedom of Choice awards, understanding that not every student who is offered an award will go to school. Over the last few years, fewer and fewer students are utilizing these awards. Ms. Michalak also added that if the students do not receive enough in award money, and do not have enough money of their own to supplement, they will not attend the college, thinking they cannot afford it. Ms. Michalak stressed the importance of educating students on the actual costs of college.

Mr. Smith expressed concern whether this behavior had been influenced by the recent change in the independent colleges, where tuition rates have been increasing faster than in the public universities. Ms. Michalak responded that last year 179,000 students completed the FAFSA by March 10th and had made all their corrections by May 15th; and out of these 179,000 students only 87,161 took the award and attended college.

Ms. Michalak spoke about timelines that vary depending on the institutions. March 10th is the first filing deadline for FAFSA, and the corrections deadline is May 15th.

To the question from Dr. D'Amico, Ms. Michalak responded that Indiana is one of the states with the earliest deadline for FAFSA. She explained that the reason for such an early deadline is so that Indiana students have a couple of months to make corrections to their FAFSAs, and nearly all of the students have to make corrections. Several Commission members exchanged comments on the importance to change the deadline for filing FAFSA's to a later date, when students have more information and will be able to avoid making corrections after submitting their forms. In response to

Ms. Lubbers' question, Ms. Michalak responded that there is neither historical nor legislative reason to keep the date at March 10th.

Ms. Duarte De Suarez suggested forming a subcommittee of the Commission to assist with systematic reviews and tactical metrics to look at. Ms. Lubbers said that the Commission hired HSM Strategies to do this study. She added that questions and concerns expressed today by the Commission members will be shared with the consultants.

Mr. Fisher offered help in arranging a meeting with "*Reaching Higher*" document project leaders who could help with this matter.

In response to Mr. Bland's question about the increase of GPA to 2.5 of the 21st Century Scholars, Ms. Michalak explained that 2.5 GPA is required for all awards. She added that she will have better information on GPA in January.

Ms. Odum and Mr. Bland complemented Ms. Michalak on her presentation.

VII. DECISION ITEMS

A. Academic Degree Programs on Which Staff Proposes Expedited Action

Mr. Sendelweck read the list of the degree programs.

R-12-04.3 RESOLVED: That the Commission for Higher Education approves by consent the following degree programs, in accordance with the background information provided in this agenda item:

- Bachelor of Science in Neuroscience to be offered by Purdue University through the IUPUI campus
- Bachelor of Arts in Medical Humanities and Health Studies to be offered by Indiana University through its IUPUI campus (Motion – Murphy, second – Moran-Townsend, one abstained, one opposed, approved by the majority of votes)

Upon request from Mr. LaMothe for a clarification of the title of the Bachelor of Arts in Medical Humanities and Health Studies, Dr. Sauer explained that this degree is intended for students to pursue graduate and professional programs, many of which would be in the health sciences. This program is interdisciplinary in nature; it draws upon the degree sources of the IUPUI campus and Medical Center, and thus is not under the purview of a single department.

In response to Ms. Duarte De Suarez' remark, Dr. Sauer confirmed that the program is Bachelor of Arts, not Bachelor of Science, as it was erroneously listed in the Agenda book.

Mr. LaMothe expressed concern, later concurred by Ms. Odum, regarding the continuing cost of higher education and the necessity of having a new program in this particular field. He also asked whether a program ever gets removed from the list of inventory of a

university, to which Mr. Hansen responded that there are now statutory requirements for the institutions to review all programs every three years.

To the question from Ms. Odum, concurred by Mr. Murphy, Dr. Sauer responded that there are graduate programs with specializations in different areas. He also suggested as an alternative to bring this program back for the next meeting as a full discussion item.

Referring to Mr. LaMothe's question about the cost of a new program, Dr. Barbara Bichelmeyer, Associate Vice President for Academic Planning and Policy, IUPUI, said that these programs are cross-subsidized, which means that the university has the existing faculty, capable of addressing new needs. Dr. Bichelmeyer assured Commission members that the full proposal, which is given to the Commission staff, includes a detailed curriculum, as well as the letters of support from the business community.

Responding to a comment from Ms. Odum about the existing programs in the similar field, Dr. Bichelmeyer said that the university has an opportunity to grow those programs with this new degree. In response to Ms. Odum's doubts regarding generating new students by offering this program, Dr. Bichelmeyer responded that the university is looking at the opportunities for specializations that are developing in human services as hospitals grow, and it helps prepare students to follow any one of these specializations. Dr. Bepko supported Dr. Bichelmeyer's comments.

In response to Dr. D'Amico's question, Dr. Sauer responded that an important factor in selecting a program for an expedited action is the mission of the campus and how this program fits into it. In IUPUI there is a strong concentration and extraordinary resources in the medical area, and many other Bachelor and graduate programs from which this program can draw faculty. From staff perspective, it seemed that this program would not require a lot of Commission discussion.

Echoing Dr. Sauer's comment, Ms. Lubbers pointed out that when the Commission members receive their agenda books, they have a period of time to inform the Commission's staff about an item that concerns them, and the staff will clarify the reasons for choosing the item for an expedited list. Dr. Bepko later added that the Academic Affairs Committee is going to take up the issue of what programs should be on an expedited agenda.

Ms. Duarte de Suarez noted that in the description requirement to reduce the curriculum to 120 credit hours is still pending. Dr. Sauer assured the Commission of the university's guarantee that the students would not be admitted into this program until the curriculum had been reduced to 120 hours.

Dr. William Schneider, Professor of History, Directory of Medical Humanities, IUPUI, gave a more detailed description of the program and its connections with other existing programs. Dr. Schneider explained that they have faculty and medical staff, and one person who would be added to the staff is a PhD in Medical Humanities. This program is in response to a growing interest from students, who have been taking courses for minors, and now seek a major and to pursue graduate programs in various related fields. Dr. Schneider stated that with this new program the university is increasing not a number, but a quality of doctors, having doctors who know about the sociology of health, communications with the public, etc. He also confirmed a great interest in this program

from hospitals, Blood Bank, and others. Dr. Schneider said if the program is approved, the university can have graduate students in the program as early as this December.

Dr. Bepko thanked Dr. Schneider for this program. Mr. Smith concurred and voiced his support for approving it.

Ms. Lubbers explained that to select a program for an expedited action Dr. Sauer works with the institutions, which provide him with ample information about the new program. She asked the Commission members to decide whether they would like to have all the details of the proposal included in the agenda book or whether the staff should continue working as they have, and provide the additional information upon the Commission members' request.

Dr. Scheller expressed a concern, later concurred by Ms. Odum, that the universities are narrowing the subjects of the new degree programs. Dr. Schneider responded that the university is integrating parts of existing departments, which is, in fact, broadening the program.

Mr. LaMothe expressed high confidence in the Commission's staff and agreed with Ms. Lubbers' earlier comments that the members of the Commission should be clearer in their requests for information from the staff. Ms. Odum added that the format of the expedited items should be changed, so that Commission members would get some more information prior to the meeting. Dr. Bepko confirmed that the Academic Affairs Committee will take into consideration all the comments.

B. Capital Projects

1. Johnson A Residence Hall Renovation – Ball State University

Mr. Jason Dudich, Associate Commissioner and CFO, presented this item. He pointed out that even though this item is listed in the Agenda book as a Discussion item, it is a Decision item, which was presented as a Discussion item at the May Commission meeting. Mr. Dudich had answers to a few questions raised at the last meeting regarding occupancy rates, the current room and board rate for students living on campus, and the cost per square foot. Mr. Dudich also spoke about the ways of funding this project.

R-12-04.4 RESOLVED: That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *Johnson A Residence Hall Renovation – Ball State University*, in accordance with the background information, provided in this agenda item (Motion – LaMothe, second – Fisher, unanimously approved)

2. Wade Power Plant Production and Distribution Improvements – Purdue University West Lafayette

Mr. Kevin Green, Assistant Director for Capital Planning, Purdue University, thanked Mr. Hansen for his great work representing Purdue University at the Commission. Then Mr. Green gave a detailed description of the Wade Power Plant and project for its improvements.

Responding to questions from Ms. Odum, Mr. Green clarified the number of boilers and their current use, as well as the University's plans for their renovation.

In response to a question from Mr. Murphy, Mr. Green responded that the University will be converting four of the boilers to the natural gas; one will still be available to be used for coal or sustainable biomass capability. The new boiler will also have this capability.

Mr. Smith pointed out that since the cost of gas for these boilers will be substantially below the cost of coal, Purdue's future budget savings could be available to fund most of the \$21 million needed for this project. Mr. Green confirmed this.

Responding to questions from Dr. Scheller and Ms. Duarte De Suarez, Mr. Green confirmed that the university is considering biomass energy production, as well as using solar energy.

Mr. Dudich gave the staff recommendation.

R-12-4.5 **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *Wade Power Plant Production and Distribution Improvements – Purdue University West Lafayette*, in accordance with the background information, provided in this agenda item (Motion – Rehnquist, second – Duarte De Suarez, unanimously approved)

3. Wang Hall Lease – Purdue University West Lafayette

Mr. Green presented this item.

Mr. Smith expressed concern about this enterprise and the fact that the university will be paying \$150 per square foot for a new building. Mr. Green explained the advantages of providing an upfront payment, which will reduce the university's cost long-term. He pointed out that the university will be leasing a part of the new building, while another company will be the primary tenant.

Mr. Smith suggested tabling this project until the Commission has more data available that explains the full economic model.

R-12-4.6 **RESOLVED:** That the Commission for Higher Education recommends tabling the following project: *Wang Hall Lease – Purdue University West Lafayette*, and consider it at a later time (Motion – Smith, second – LaMothe, unanimously approved)

4. Capital Projects on Which Staff Propose Expedited Action

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

R-12-04.7 RESOLVED: That the Commission for Higher Education approves the following capital project, in accordance with the background information provided in this agenda item:

- Ivy Tech Community College of Indiana – South Bend
Campus: Building Addition and Expansion - \$4,667,000
(Motion – Bepko, second - Fisher, unanimously approved)

C. Resolution to Outline Employee Retirement Benefits

Mr. Shane Hatchett, Manager of Business/HR, presented this item.

R-12-04.8 RESOLVED: That the Commission for Higher Education approves the resolution outlining that the default employee retirement benefit plan is administered through the Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREFF) except where grandfathered employees have made an irrevocable election to maintain a Public Employee Retirement Fund (PERF) plan administered by the Indiana Public Retirement System (Motion – Smith, second – Bepko, unanimously approved)

D. Other Items on Which Staff Proposes Expedited Action

Mr. Ken Sendelweck read the list of items for expedited action:

R-12-04.9 RESOLVED: That the Commission for Higher Education approves by consent the following administrative items in accordance with the background information provided in this agenda item:

- Human Resource Policy, Post July 1, 2012
- Indiana/Ohio Reciprocity Agreement
- Transfer Indiana Central Office Contract
- Improving Teacher Quality Partnerships Program (Motion – Bepko, second – Murphy, unanimously approved)

E. Election of Officers (this item has been added to the agenda. It was erroneously omitted from the published agenda)

Mr. Sendelweck submitted a slate of officers.

R-12-04.10 RESOLVED: That the Commission for Higher Education approves a slate of officers for the academic year 2012-13 as follows: *Ms. Marilyn Moran-Townsend – Chair, Mr. Michael “Jud” Fisher – Vice Chair, Mr. Chris LaMothe - Secretary* (Motion – LaMothe, second – Hansen, unanimously approved)

Ms. Moran-Townsend expressed profound gratitude to Chair Ken Sendelweck for his leadership in developing a new strategic plan for the state, “*Reaching Higher, Achieving More*”, implementing the three-Committee structure for the Board, and being a constant source of encouragement for the Commission’s professional staff and for the Commissioner.

Mr. Sendelweck responded that it has been his privilege to serve as the Commission’s Chair, as well as an incredible learning experience over the last six years.

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

In response to Mr. Murphy’s question about two degree programs that have been on the list for almost a year, Dr. Sauer explained that in one case the Commission is awaiting a letter of withdrawal from the university. As to the second case, Ph.D in Health Sciences offered by Indiana State University, over the past two years the Commission has approved five graduate programs for Indiana State University in health related areas, and the staff wanted to see some progress in implementation of those programs before considering a new one. At this point, the staff is in a position to bring this program to the Commission for action in the near future.

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

In response to a question from Mr. LaMothe, Ms. Lubbers responded that a list of degree programs by campus and the current enrollment is available and can be accessed.

XI. ADJOURNMENT

The meeting was adjourned at 12:05 p.m.

Marilyn Moran-Townsend, Chair

Chris LaMothe, Secretary