



INDIANA *for* COMMISSION
HIGHER EDUCATION

MEMORANDUM

To: Those Concerned
From: Teresa Lubbers
Commissioner
Date: September 30, 2010
Subject: Commission Meeting

Enclosed are agenda materials for the September Commission meeting. The meeting schedule is as follows:

Thursday, October 7, 2010 (*Eastern time*)

Indiana University
Indiana Memorial Union
900 East 7th Street
Bloomington, IN 47405

- 4:00 – 5:30 p.m. Strategic Directions Subcommittee Meeting**
Walnut Room, Mezzanine Level
- 5:30 – 6:30 p.m. Reception**, for Commission members and staff, and invited Indiana University guests
Federal Room, 2nd Floor
- * 6:30 - 9:00 p.m. Dinner Working Session** (*public meeting*),
Federal Room, 2nd Floor

Friday, October 8, 2010 (*Eastern time*)

Indiana University
Indiana Memorial Union
900 East 7th Street
Bloomington, IN 47405

- * 7:45 - 8:45 a.m. Breakfast Working Session** (*public meeting*)
State Room East, 2nd Floor
- * 9:00 a.m. - 12:00 p.m. Commission Meeting** (*public meeting*)
Georgian Room, 1st Floor

If you have questions, suggestions, or need a reasonable accommodation, please contact this office.

* The Commission for Higher Education abides by the Indiana Open Door Law (Indiana Code 5-14-1.5). All business meetings are open to the public. (Meals will not be provided.)

AGENDA

Commission for Higher Education

COMMISSION MEETING

Indiana University
Indiana Memorial Union
Georgian Room, 1st Floor
900 East 7th Street
Bloomington, IN 47405
Phone: 812-855-1808

Friday, October 8, 2010

- I. CALL TO ORDER -- 9:00 a.m.**
- II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM**
- III. CHAIR'S REMARKS**
- IV. COMMISSIONER'S REPORT**
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	<ul style="list-style-type: none"> • Math Sciences Research Date center Renovation at Purdue University: \$2,949,000 • Agricultural and Biological Engineering and Central Machine Shop Facility at Purdue University: \$4,300,000 • Riley Hospital – Wells Research center for a Pediatric Phenotyping Core Renovation: \$8,5000,000 • Qualified Energy Savings Project – Increase in Scope: \$8,000,000 • General R\$R – FY10: \$989,032 	
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IX. OLD BUSINESS

X. NEW BUSINESS

XI. ADJOURNMENT -- Approximately 12:00 p.m.

The next meeting of the Commission will be on December 10, 2010, in Indianapolis

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Friday, September 10, 2010

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:10 a.m. at the Stewart Center, Room 214 ABC, 101 N. Grant St., West Lafayette, Indiana, with Chair Michael Smith presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Cynthia Baker, Gerald Bepko, Dennis Bland, Carol D’Amico, Susana Duarte de Suarez, Jud Fisher, Keith Hansen, Marilyn Moran-Townsend, Chris Murphy, Ken Sendelweck, Mike Smith.

Members Absent: Jon Costas, Eileen O’Neill Odum, George Rehnquist.

The following institutional presidents attended the meeting: Dr. Daniel Bradley, President of Indiana State University; Dr. France Córdova, President of Purdue University, and Dr. Richard Helton, President of Vincennes University. Dr. Richard Ludwick, President of Independent Colleges of Indiana, also attended the meeting.

III. CHAIR’S REPORT

Mr. Smith thanked President Córdova for hosting a dinner for the Commission members on the previous night. He invited President Córdova to give welcoming remarks.

President Córdova welcomed the Commission to campus. Mr. Keith Krach, Chairman of the Board of Trustees, Purdue University, also welcomed the Commission to campus. He thanked the Commission for the Trustees Academy, which took place on August 30th.

Mr. Smith spoke about the Trustees Academy, which was the first hosted and convened by the Commission. Mr. Smith stated that the Academy was a great success. He pointed out that the Commission understands the different roles played by each institution in our system. Mr. Smith also thanked Commissioner Lubbers and the Commission staff for organizing three important public meetings, finishing a comprehensive review of the state financial aid system, starting a detailed review of the proposed budgets, and convening a Trustees Academy – all this within 30 days with the smallest higher education commission staff in the country.

Mr. Smith introduced a new Commission member, Ms. Susana Duarte de Suarez.

Mr. Smith recognized Dr. Sauer for his twenty five years of service on the Commission and, on behalf of Governor Mitch Daniels, presented him with the Distinguished Hoosier Award.

Mr. Smith mentioned an article in “Purdue Exponent,” honoring the former president Dr. Arthur Hansen, who passed away in July. Mr. Smith encouraged the audience to attend the memorial service for Dr. Hansen, which would be held on the campus that afternoon.

IV. COMMISSIONER’S REPORT

Ms. Teresa Lubbers began her report by introducing a new member of the Commission’s staff. Mr. Jason Dudich is serving in the role that was held by Bernie Hannon, which is Associate Commissioner and Chief Financial Officer. Ms. Lubbers told the Commission members that Jason’s last job was the Deputy Controller for the City of Indianapolis. Mr. Dudich served in state government as the Director of Strategic Finance at FSSA, and as a budget and policy analyst for the Indiana State Budget Agency, with oversight of multiple agencies, including Indiana’s higher education system. Mr. Dudich also worked as a Senior Budget Analyst for the Bureau of the Budget in Illinois. Ms. Lubbers added that Mr. Hannon was instrumental in bringing Mr. Dudich to Indiana from Illinois.

Ms. Lubbers asked Chairman Smith to have a motion of approval to make Jason’s employment official.

R-10-07.1 RESOLVED: That the Commission for Higher Education hereby approves hiring Jason Dudich as the Associate Commissioner and Chief Financial Officer (Motion – Smith, second – Moran-Townsend, unanimously approved)

Ms. Lubbers spoke about the Trustees Academy. She said that the feedback survey that was distributed at the Academy showed a very positive response; trustees were grateful for the opportunity to hear from the presenters about key issues. Several people expressed interest in more “table time” to discuss issues and share ideas. Ms. Lubbers said that Jason Bearce, Associate Commissioner for Strategic Communications and Initiatives at the Commission, is the lead Commission staff person, who is planning next steps and ways to have ongoing communication and provide new information to trustees.

Ms. Lubbers mentioned that on Wednesday the Commission presented to the State Budget Committee an overview of the Financial Aid Study. Ms. Lubbers said that the legislators expressed strong interest in the Commission’s recommendations; there were some suggestions for additional information and an overall good understanding of why these issues are so important. Ms. Lubbers added that this will not be the kind of study that is simply handed over, but instead will require the Commission’s ongoing involvement between now and the end of the year and throughout the legislative session. The committee was very grateful to Commission members for the thoughtful way this work was handled.

In conclusion, Ms. Lubbers presented statistical information indicating that student debt is the largest debt sector in the United States. Indiana’s college debt load is 15th highest in the country at \$23,264. Nationwide, the average debt for graduating seniors has risen from \$18,650 in 2004 to \$23,200 in 2008. Ms. Lubbers added that this information is important in light of the recent financial aid study, and it will help the Commission to understand how to reallocate scarce dollars to students who need them.

V. CONSIDERATION OF THE MINUTES OF THE AUGUST 2010 COMMISSION MEETING

Mr. Smith announced that on page 7 of the agenda booklet, the phrase should say: “**The following item was removed as a Decision Item and brought forward on the agenda as a Discussion Item**”.

R-10-07.2 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the August 2010 regular meeting as amended. (Motion – Fisher, second – Bepko, unanimously approved)

VI. DISCUSSION ITEMS

A. College GO! Week 2010 (September 20-24)

Mr. Bearce presented this item. He said that 2010 was the second year of College GO! Week, an annual statewide campaign designed to help more Hoosier students get to and through college. College GO! Week is led by the Learn More Indiana initiative, and will engage local partners across the state in motivating students to take specific, practical steps to plan and prepare for college access.

Mr. Bearce spoke about the grade-specific goals for students this fall. College GO! Week is funded by a federal College Access Challenge Grant, and is part of Learn More Indiana’s ongoing efforts to help Hoosiers succeed in school, complete college and connect to careers. Learn More Indiana is made possible through a partnership of the Indiana Commission for Higher Education, the Indiana Department of Education, the Indiana Department of Workforce Development, and the State Student Assistance Commission of Indiana, with additional support from Indiana’s colleges and universities, the Lumina Foundation for Education, USA Funds, and the U.S. Department of Education.

Mr. Bearce spoke about three annual statewide campaigns. In the fall there is the College GO! Week, which is aimed at planning for college. In winter 2011, the campaign Cash for College begins in January to help students apply for financial aid and meet the application deadline in March 2011. And finally, the KnowHow2Go effort, which was a campaign originally started by the Lumina Foundation, but which is now being led by Learn More Indiana. The goal of this spring-summer 2011 event is to prepare kids for college.

Mr. Bearce stated that the guiding principles of all three of these campaigns are college-focused. The Commission and Learn More Indiana want to make sure that there are specific practical steps for students of each grade level. Mr. Bearce also mentioned the importance of engaging the local partners in these efforts.

Mr. Bearce gave a brief recap of the inaugural campaign of last year. The results of the campaign were very impressive. Some colleges received more applications than they wanted, and the reason for this was that at the request of the Commission, the colleges waived their application fees. There was also a significant increase in the e-Transcript service, which is a free service, allowing easy portability of high school transcripts to and among colleges. Mr. Bearce mentioned a tremendous growth in PSAT participation in a course of one year. This was in large part due to help from the Department of Education; DOE worked with schools, making sure that the schools provided the students with all necessary materials.

The last part of the campaign was strong participation in a Student Survey which is conducted by Learn More Indiana for ninth and tenth graders. There was a ten percent increase in participating schools this year.

Mr. Bearce spoke about the changes in College GO! Week 2010. First, it was mutually decided to have it earlier this year. Second, more information and resources will be given to help students to find the right fit when they apply for colleges. Third, college campus visits will be greatly promoted to help students to learn more about the college before the student starts studying there. Finally, the focus will be expanding to include middle school students and adults.

Mr. Bearce briefly listed student goals, which include the importance for every senior to apply to college (with e-Transcript); for every junior student to commit to a campus visit; for every sophomore to sign up for the PSAT; and for every freshman to complete a student survey. The goals for middle school students are: every 6th grader will explore careers; every 7th grader will connect education to careers; every 8th grader will complete a graduation plan. Adult students' goals have been established in cooperation with the Department of Workforce Development and Ivy Tech Community College, and they include: meeting with college and career advisors; learning about high-growth, in-demand jobs; and exploring flexible, innovative education options.

Mr. Bearce stated that the theme of the week is "Don't Roll the Dice on Your Future." Mr. Bearce mentioned materials that will be provided before the campaign: Starter Kit, student surveys, *NEXT* Indiana magazines, graduation plans. Mr. Bearce talked about the CollegeGoWeekIndiana.org website, which will have a lot of information for the students regarding college admissions, key dates, deadlines, requirements, etc., as well as interactive activities and videos, student surveys and graduation plans. Mr. Bearce also mentioned a new promotion that is called "Share and Win," which can be found on that same website. When the students go online they will be engaged in different activities and score points for them.

Mr. Bearce spoke about what Indiana's K-12 community was doing to promote students' participation. He mentioned student-led marketing/event plans; on-site college admissions days; student-to-student presentations; college visit field trips; and adult career interviews. He also talked about Indiana's Colleges and Universities involvement with the College GO! Week. Mr. Bearce mentioned some of the activities: application fee waivers that some colleges will continue doing this year; extra tour dates with incentives; prospective student presentations; and coordinated campus visit plans, provided by the coalition of some of the independent colleges.

Mr. Bearce introduced Ms. Pamela Horne, Assistant Vice President of Enrollment Management and Dean of Admissions, Purdue University, and invited her to speak about Purdue-West Lafayette initiatives for College GO! Week.

Ms. Horne talked about ways of reaching out to the students during College GO! Week. She said Purdue will be sending personalized e-mail messages to all students on each grade level. Seniors will be sent a reminder to apply for the financial aid no later than November 15th, which is Purdue's deadline for consideration of the merit scholarships. Juniors will be encouraged to attend one of Purdue's scheduled campus visits; to take the SAT or ACT during their spring semester; and to pay serious attention to their grades. Sophomores will be advised to take the PSAT and to take advanced classes in school. Freshmen will be

reminded of the importance of sustained involvement in school/community activities and selecting college-prep curriculum. Eighth graders will learn about Purdue's "Think Big" campaign that focuses on academic preparation and college aspiration, and the assistance in this process.

Ms. Horne talked about the high school guidance counselors and their connections with Purdue. Purdue's counselor partnership is very important in strengthening college-going culture in Indiana. Ms. Horne said that the office of Student Access Transition and Success programs will also be involved in this year's College GO! Week. This office has a great partnership with college advocate peer leaders and Twenty-first Century Scholars. It conducts college-aspiration and preparation-related sessions for middle school students in regional communities. It also uses sessions to promote the Twenty-first Century Scholars program.

Ms. Horne spoke about the adult learners. She said that Purdue University uses Continuing Education Conferences (CEC) to promote opportunities in higher education to local community and Purdue staff. They also distribute posters and include notices in Purdue publications, as well as inserts or ads in the local media.

Ms. Duarte de Suarez asked whether the e-mail addressed to the eighth-, ninth- and tenth-graders goes directly to the students, and how Purdue determines who gets these e-mails. Ms. Horne responded that e-mails go to the students who: would have made some inquiries with Purdue, would have been a part of the Purdue outreach programs, joined Purdue mailing lists, or visited a campus.

Ms. Baker asked about a program called Purdue Promise. Ms. Horne responded that this is a brand new program for the Twenty-first Century Scholars. She added that national studies that helped Purdue to create this program show that financial support alone is not sufficient to ensure the success of the low income, first generation students; a very intentional academic and social support is also critical.

Mr. Murphy asked whether cell phone texting might be considered a good way of reaching a larger number of eighth- and ninth-graders. Mr. Bearce responded that they are already considering reaching the students on their cell phones. Ms. Horne added that texting has become very popular among teenagers, and Purdue is monitoring this process very carefully.

Mr. Fisher asked whether high school students take days off to visit a college. Mr. Bearce responded that some schools provide time off for the students for these purposes, and that colleges are encouraged to offer more weekend opportunities for the students to visit.

Dr. Bepko asked how much staff is working on this initiative. Ms. Horne responded that they have eighteen full-time employees.

Mr. Hansen quoted an article from the Indianapolis Star, written by a former professor at a two-year community college. In this article the professor was talking about the potential non-traditional students: county veterans; service officers; those who work with unemployment compensation, vocational rehabilitation or public assistance programs; counselors at veterans' affairs facilities. Mr. Hansen wanted to put on record that this is a good comprehensive list, and Indiana colleges could target these people, as well.

B. 2011-13 Operating and Capital Budget Request Presentation: Summary of Cumulative University Operating and Capital Budget Submissions

Mr. Jason Dudich, Associate Commissioner and Chief Financial Officer, presented the charts for the 2009-2011 State Appropriation for Higher Education, and compared them with the 2011-2013 State Appropriations. Mr. Dudich noted that appropriations include all general and dedicated funds; no federal funds were included.

Mr. Smith asked about the difference between the campus operating budget in 2010-2011 and 2011-2012. Mr. Dudich explained that the 10.3 percent increase in 2011-2012 is due to the funding formula and performance measures included in the budget recommendations for the seven institutions.

Mr. Smith asked Mr. Dudich to clarify whether the difference is driven by planned spending levels at the universities, or whether it is the number that is formed by the Commission's incentive formula. Mr. Dudich responded that this is the latter.

Mr. Dudich presented a chart showing 2011-2013 Total Operating Submission: State Funds.

Mr. Smith once more wanted to clarify that the numbers presented in the chart do not reflect the institutions intended spending, since some of these numbers show the increase from 2010-2011 and 2011-2012 budgets. Mr. Dudich confirmed that these numbers are based on the formulas that the Commission staff had set forth. These numbers simply represent what the universities expect to get from the state, and then, depending on the decision by the General Assembly, the budgets will be established to include tuition, operating budget, etc.

Mr. Smith encouraged everybody in attendance not to misunderstand this set of data: this is not reflective of the Trustees or the Universities' leadership asking for more money at this point.

Mr. Dudich confirmed that these numbers will change as the Commission reviews them and makes budget recommendations to the General Assembly, and then the General Assembly reviews these numbers and makes their decision.

Mr. Alphonso Diaz, Executive Vice President for Business, Finance, and Treasurer, Purdue University, confirmed that the numbers on the chart are a formulaic response to a request for information. This is not a request by the University for more money.

Mr. Dudich continued his presentation with the chart showing 2011-2013 Expenditure Adjustments Overall. He stated that each institution included items for the various Expenditure Adjustments based on formulas used in the Budget Instructions and rates/formulas for each adjustment. He spoke about the seven specific line items that are related to these formulas: successfully completed credit hours; dual credit successful completion of credit hours; change in degrees; on-time degrees; low-income degrees; and research incentive.

The next chart presented by Mr. Dudich showed the 2011-2013 Expenditure Adjustments Detail. The above-mentioned seven line items were broken down by institution to show the dollar amount for each of them.

Mr. Smith asked, as an example, why a zero amount was shown for Indiana State University (ISU) for the Successfully Completed Credit Hours item, and why this zero was processed in this chart. Ms. Diann McKee, Acting Vice President, Business Affairs, Finance and University Treasurer, responded that the successfully completed credit hours formula was to be used for the “changing campuses,” such as Ivy Tech, University of Southern Indiana (USI), etc. ISU is considered a “stable” campus. Mr. Dudich also added that Indiana University Bloomington (IUB), Purdue University West Lafayette (PUWL), and Ball State University (BSU) are also considered “stable campuses,” but are not eligible for these formulas. However, the universities are allowed to include their regional campuses in their calculations, and Ball State included their off-site successful completion of credit hours, as well.

Ms. D’Amico asked how the document, which is being presented, should be titled, if this is not a request. Mr. Smith encouraged the Commissioner and staff to find a better way to describe the document, since this is clearly not a request.

Dr. Bepko suggested the name “Potential Performance Awards,” based on the formulas. Mr. Dudich said that historically the budget used to be done without consideration of the performance. It was based on enrollment changes, and there was a set five percent increase of personal services, and three percent on energy. The universities would be given a set of formulas, and they would submit what their needs were based on these formulas. In the last several years, the Commission has moved away from this flat line three percent to acknowledging the universities’ success in certain areas, and the budget would be based on this success, if it were to be passed today.

Mr. Dudich continued explaining the chart detailing the expenditure adjustments. The next chart he presented was a chart showing 2011-2013 State Debt Service Funding. Mr. Dudich noted that debt service includes all pending and approved projects from the 2009-2011 Biennium. He also noted that BSU and Ivy Tech assumed partial debt payments in 2012-2013. Mr. Dudich also added that 2010-2011 column shows that appropriated, actual total debt service from institutions is \$173.2M; and overall debt ratio is as follows: 2011-13.7%; 2012 – 11.2%; 2013 – 12.6%. Mr. Dudich said that the total number of submission for 2012-2013 would be \$195,418,320.

Mr. Bland said that as a Commissioner and a public servant he would like to go on record by saying that this number concerns him. He cannot in good conscience look at this number and not be troubled. He feels that this is a model that cannot sustain itself.

Mr. Smith said that this data is a product of a number of circumstances. Mr. Smith explained that the stage of development, with placement of capital, requires knowledge of the master plan. It is also necessary to include the gifts contributed by individuals, willing to underwrite the costs of the projects. It is important to be aware of the timing and decisions around the financing of the capital projects. Mr. Smith confirmed that he shares Mr. Bland’s concern over the magnitude of \$195M; however, he wanted to caution everyone to engage in the review and debate over the next several weeks in order to understand the position of each of the institutions and their replacement cycles, while they are trying to secure financing other than state service debt.

Mr. Murphy said it is very evident in this recent economic situation that debt service is required. The larger the debt service becomes of the use of the total borrowing available for

education, the less the education is being impacted. He cautioned the Commission members to be very sensitive to what they are doing.

Mr. Smith said that he did some calculating, trying to figure out the amount of interest on debt, providing that a dollar of asset produces a dollar of revenue. He agreed that these were troubling financial models. It is necessary to learn different ways to leverage capital assets to deliver products and services in this economy. Mr. Smith suggested embracing Mr. Bland's reaction and getting better informed about this.

Ms. Moran-Townsend wondered whether it is possible to frame what the true cost is; knowing how much is being asked of the state. She said it will be very helpful to know what this will do in terms of long term debt, and also, when these programs come on the books, how much R&R there will be over the life of those buildings.

Mr. Bland wanted to make sure that the Commission members understand that he made his comment in total support of the seven universities. He made his comment as a member of the Commission, who is vested with the obligation, and who has a concern for the ongoing strength of the colleges and universities.

Mr. Dudich continued his presentation with the next chart, 2011-2013 Total New Capital Projects: All Funds. He noted that this chart includes all capital projects from all funds for 2011-2013 and R&R cash requests. The next chart, presented by Mr. Dudich, 2011-2013 New Capital Requests: State Funds, reflects the amount of capital projects that are being funded with bonded funds or state eligible fee replacement dollars. Mr. Dudich noted that if all state funded projects are approved and bonded in 2012, it would add approximately \$45.5M in Debt Service Costs in 2012-2013 (20 years at six percent).

Mr. Dudich went over each university's new capital projects, explaining estimated new debt service beginning 2012-2013. When speaking about IU, he mentioned the Regional Campuses Projects that were included in IU chart.

In conclusion, Mr. Dudich briefly spoke about the budget process. In September and October the rest of the institutions and SSACI (State Student Assistance Commission of Indiana) will present their budget requests to the Commission. In December the CHE will vote on Budget Recommendations to the Governor and the General Assembly. The Budget Committee recommends a budget to the General Assembly; the House and then the Senate pass a budget; there may be a possible conference committee, and then the Governor signs a budget into law. Fiscal year 2011-2012 starts on July 1, 2011.

C. Vincennes University

Dr. Helton began his presentation by speaking to the University's cost-cutting measures. He said that the operating cost per FTE is \$82.93, which shows that Vincennes University is comparable to sister institutions.

Dr. Helton spoke about efficiency of Vincennes University. He said that even with the 25 percent increase in enrollment, the professional staff and faculty has increased only by twelve people. The number of **high schools participating** in dual credit courses has increased from 90 to 150, which requires more mentors. Dr. Helton also spoke about Vincennes University's employees' salaries and health insurance plans, as well as necessary budget reductions.

Dr. Helton spoke about Vincennes University's local and global partnerships (John Deere, Freightliner, Cummins, Volvo, ABB, Lincoln Electric, Index Traub, etc.).

Dr. Helton commented on initiatives and activities taking place on the Jasper campus: business and industry training, and career and technology education. He said that, at present, the Jasper campus has the highest FTE in the history of this school.

Dr. Helton described the University's Early College Program located at Ben Davis High School in Indianapolis. He spoke about the ethnic diversity, as well as the acceptance criteria on that campus. He stated that 79 students stayed in the program; 33 of those graduated; and 34 were missing one or more courses. He also mentioned that 48 students went on to a four-year institution, 23 went on to a two-year institution, and three went to technical schools.

Ms. Lubbers asked how many of the 79 graduates ended up with Associate degrees. Dr. Helton responded that 33 were eligible for a degree, but he did not have the exact number of those who received it.

Dr. Helton presented the University's 2011-13 operating budget request.

D. Purdue University

Dr. Córdova spoke about the Purdue University Strategic Plan and its main goals: launching tomorrow's leaders, promoting discovery with delivery, and meeting global challenges. She talked about the University's long term sustainable ways to maintain the budget, while increasing efficiency and effectiveness.

Dr. Córdova said that last fall the University launched an initiative to address administrative operations, structures, systems and processes. A task force developed strategies for cost reductions and savings in various areas. Dr. Córdova commented on its strategic sourcing initiative that was able to identify between \$2.5M to \$4M worth of savings so far, and Purdue University is planning to continue with this initiative.

Dr. Córdova mentioned that in Information Technology the University was able to identify ways to have between \$10M and \$15M of recurring savings on an annual basis, as well as saving several million dollars on energy conservation.

Dr. Córdova also spoke about savings on compensation and benefits, as well as reducing health care cost and expenses to the University and its employees. In March 2010 the University announced the return of \$4.1M to the state due to deferred hiring, budget cuts to operations and facility maintenance, energy conservation initiatives and contributions from the regional campuses. In addition, in April, University Board of Trustees unanimously approved the operating budget for fiscal year 2010-11 that allocated no salary increases and no increase in supply and expense money for the second year in a row.

Dr. Córdova mentioned the ranking of Purdue University: US News and World Report rankings for Purdue increased from 22nd in fall 2009 to 18th in 2010 among the nation's public universities. Dr. Córdova also commented on rankings of Purdue's College of Engineering and Krannert School of Management locally and globally.

Dr. Córdova spoke about Purdue's goal to increase students' success in three ways: adequate preparation, affordability, and retention. Purdue continues to recruit the best and the brightest Indiana students, who are well prepared to meet the rigorous educational standards. For example, one of the admission requirements for the students for fall of 2011 will be successfully completing four years of high school mathematics. As a result, the freshmen class this fall will have the highest SAT and ACT scores in Purdue's history.

Speaking on affordability, Dr. Córdova mentioned a variety of scholarships to support low- and middle-income students and to reward promising leaders from the underrepresented areas of the state. Purdue also has raised a number of scholarships for all income levels, based both on need and merit.

Dr. Córdova also talked about the programs focused on increasing student retention. Last fall Purdue's retention rate was 87.2 percent, and this year the number is going to be higher.

Dr. Córdova spoke about various sponsored programs and research awards that reached close to \$440M for 2009-10. Dr. Córdova mentioned the global challenges facing Purdue University, and some Study Abroad programs that include more than 200 overseas opportunities for the students.

Dr. Córdova presented the 2011-13 operating budget request.

E. Indiana State University

Dr. Bradley began by speaking about the Indiana State University's (ISU) achievements: ISU is on President's Higher Education Community Service Honor Roll; ISU was named "A Best of the Midwest" institution for seven years in a row, and the University was named 2010 "Community of the Year."

Dr. Bradley commented on 33 percent increase of freshmen enrollment; over nine percent enrollment increase overall for the upcoming fall semester. Dr. Bradley commended the College GO! Week last year, which brought 3,000 applications to ISU in five days. He confirmed that ISU will continue waiving application fees during the College GO! Week this year as well.

Dr. Bradley talked about the student profile at ISU: 71 percent are Hoosiers; 57 percent of freshmen come from families where neither parent has a four-year degree; 78 percent of ISU undergraduate students apply for financial aid; and 38 percent of students receive Pell grants. Dr. Bradley added that 916 students are 21st Century Scholars; 14.7 percent of students are African-American; and 4.7 percent are international students.

Dr. Bradley spoke to the student success initiatives to increase retention. He pointed out that, for the state to be successful in meeting its goals related to degree attainment, higher education must serve high school students from the 2nd and 3rd quartiles and help them succeed in obtaining four-year degrees.

Dr. Bradley commented on ISU's partnership with Ivy Tech, stressing that the transfer enrollments from Ivy Tech have grown 17.5 percent this fall, and also pointing out that the DegreeLink program has provided Ivy Tech students access to four-year degrees from their home campuses since 1997.

Dr. Bradley talked about the economic development in Terre Haute. He mentioned Terre Haute Innovation Alliance, Midwest Compliance Laboratories, Specialty Rim Supply, and Rural Health Innovation Collaborative.

Dr. Bradley spoke to the budget cuts, which were \$10,478,474. Measures taken to address these cuts included: freezing salaries; eliminating 108 positions; outsourcing operation of the student health center; flattening administrative structure; reducing custodial and clerical services; eliminating Sabbatical leaves for 2010-11; and implementing a transitional retirement incentive plan. Dr. Bradley mentioned a few other cost-cutting measures.

Dr. Bradley commented on ISU's revenue streams, including fundraising campaigns. Dr. Bradley said that tuition increases will be limited, while enrollment growth will contribute to revenue growth.

Dr. Bradley spoke about accountability. He thanked Commissioner Chris Murphy for serving as the keynote speaker for Indiana State University's first stakeholders' conference.

Dr. Bradley presented budget request for 2011-13.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Doctor of Philosophy in Applied Earth Sciences To Be Offered by Indiana University Through Its IUPUI Campus

Dr. Robert Sandy, Assistant Vice President for Statewide Academic Relations, introduced this proposal. He explained that this is an interdisciplinary program that will prepare students to pursue research projects that cross traditional disciplinary boundaries and extend the knowledge base in water resources research and environmental health sciences. Dr. Sandy mentioned that Earth Sciences faculty currently collaborate with faculty in the School of Medicine and the Departments of Geography and Public Health to study hazards in an urban context, including lead poisoning in children and the cycling of man-made chemicals in urban environments.

Dr. Sandy pointed out that faculty in the Department of Earth Sciences have brought in considerable external grant funding over the past seven years and have increased funding over the previous year. The Department has also broadened the sources of external funding to include grants from the U.S. Department of Agriculture, and the National Institutes of Health.

Dr. Sandy invited Dr. Gabriel Filipelli, Chair of Department of Earth Science, Indiana University, to present the details of the program.

Dr. Filipelli said that clean air, water and soil are critical to human health and environmental quality. The factors that drive cycling and exposure of the harmful constituents in environment to the air, through the water, and to the soil, are the purview of the Earth sciences.

Dr. Filipelli spoke about the new program, which will allow an Earth scientist working on issues of cycling and exposure to work on problems that are directly related to

human health outcomes. Dr. Filipelli also said that this entire program is built on cutting edge environmental analysis. He spoke about some issues that would be addressed by the program, including the problem of drinking water in the U.S.A. and around the world becoming increasingly contaminated with bacteria that produce toxins; children are still having an elevated level of harmful lead in their bodies; the climate change and its projections affecting the urban health, etc.

Dr. Filipelli said that this program has already been building partnerships with the School of Public Health, the School of Geography, and the School of Public and Environmental Affairs. The faculty has increased from eight to twelve. The Department of Earth Sciences houses two research centers: Center for Earth and Environmental Science (CEES) and Center for Urban Health.

Ms. Duarte de Suarez asked about the projected number of twenty students in the program. She was wondering whether the program is expected to grow over the next few years. Dr. Filipelli responded that there is a potential for growth, but growth is limited by funding, which is expected to increase.

Mr. Murphy asked whether the graduates from this program will go to research or to industry. Dr. Filipelli said that the partners who helped him create this program (environmental consulting firms from Indianapolis and statewide) recognize the need for basic science to bridge over the environmental issues.

Dr. Sauer gave the staff recommendation.

R-10-07.3 RESOLVED: That the Commission for Higher Education hereby approves the *Doctor of Philosophy (Ph.D.) in Earth Sciences*, to be offered by Indiana University through its IUPUI Campus, in accordance with the background discussion in this agenda item and the *Abstract*, July 30, 2010; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, July 30, 2010 (Motion – Murphy, second – Bepko, unanimously approved)

2. Master of Physician Assistant Studies To Be Offered by Indiana University through its IUPUI Campus

Dr. Sandy introduced the proposal. He mentioned that Indiana has the third lowest ratio of physician assistants per million population; only Arkansas and Mississippi have lower ratios. In Indiana, licensure as a Physician Assistant requires graduating from an accredited college or university and successfully completing the national certifying examination. Nationwide, there are 148 accredited Physician Assistant programs, most of which are at the master's level.

Dr. Sandy invited Dr. Austin Agho, Dean, School of Health and Rehabilitation Science, Indiana University, to present the details of the proposal.

Dr. Agho said that the new program will complement the existing programs being offered by the School of Health. In the first year they plan to admit 34 students, and

increase this number to 40 in the second year. Graduates of the program will be employed in both primary and specialty care at a variety of practice settings, and they can also pursue careers in research, public health, health care administration, and teaching in postsecondary institutions.

Dr. Agho said he believes that when approved, this program could be the best in the country.

Mr. Smith asked whether Dr. Agho and his faculty have met with medical societies and tested the market receptivity for this new program, thus justifying the need for the new program. Dr. Agho responded that they have met with several representatives from the medical society, and were assured that the new program will be well received.

Mr. Murphy said that a dramatic change is happening in medical practice patterns in Indiana at present; in a lot of cases there is a consolidation of practices. Mr. Murphy was concerned whether this was going to be a relevant degree for several years.

Dr. Sauer gave the staff recommendation.

R-10-07.4 RESOLVED: That the Commission for Higher Education hereby approves the *Master of Physician Assistant Studies*, to be offered by Indiana University through its IUPUI campus, in accordance with the background discussion in this agenda item and the *Abstract*, August 27, 2010; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, August 27, 2010 (Motion – Fisher, second – Hansen, unanimously approved)

3. Academic Degree Programs on Which Staff Propose Expedited Action

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

R-10-07.5 RESOLVED: That the Commission for Higher Education hereby approves by consent the following degree program(s), in accordance with the background discussion in this agenda item:

- Master of Science in Event Tourism to be offered by Indiana University through its IUPUI campus
- Associate of Science in Nursing to be offered by Ivy Tech Community College-Kokomo at Peru
- Technical Certificate, Associate of Applied Science, and Associate of Science in Business Administration to be offered by Ivy Tech Community College-Columbus at the Franklin Site

- Associate of Science in Education to be offered by Ivy Tech Community College-Columbus at the Franklin Site
- Associate of Arts and Associate of Science in Liberal Arts to be offered by Ivy Tech Community College-Columbus at the Franklin Site (Motion – Bepko , second – D’Amico, unanimously approved)

B. Capital Projects

1. Bindley Bioscience Center Addition at the Purdue University West Lafayette Campus

Mr. Kevin Green, Director, State Relations, presented this project.

Mr. Jason Dudich gave the staff recommendation.

R-10-07.6 **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the project *Bindley Bioscience Center Addition at the Purdue University West Lafayette Campus*, as presented in the project description and staff analysis September 10, 2010 (Motion – Murphy, second – Hansen, unanimously approved).

2. Northwest Athletics Complex Phase I at the Purdue University West Lafayette Campus

Mr. Green presented this project.

Mr. Smith said that the Commission had an extensive conversation over the course of the past two days, specifically at the working session the previous evening and subsequent morning.

Mr. Dudich confirmed that the project will be funded through the TV revenue proceeds to the University through the Big Ten contract with Fox Sports. If that contract was not fulfilled, then Purdue would have to find alternative funding to complete the project. He then gave the staff recommendation.

R-10-07.7 **RESOLVED:** That the Commission recommends approval to the State Budget Agency and the State Budget Committee of the project Northwest Athletics Complex Phase I at the Purdue University West Lafayette Campus, as presented in the project description and staff analysis September 10, 2010 (Motion – Bepko, second – Murphy, unanimously approved).

C. Administrative Item on Which Staff Proposes Expedited Action: 2010-11 Indiana’s Education Roundtable Memorandum of Understanding

Staff presented an item for expedited action.

R-10-07.8 RESOLVED: That the Commission for Higher Education approves by consent the 2010-2011 Memorandum of Understanding for Indiana’s Education Roundtable (Motion – D’Amico, second – Moran-Townsend, 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 June Commission Working Sessions

There was no discussion of these items.

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

There was none.

XI. ADJOURNMENT

The meeting was adjourned at 12:25 p.m.

Mike Smith, Chair

Jud Fisher, Secretary

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DISCUSSION ITEM A: **Fall 2010 Enrollment At Indiana Public Higher Education Institutions**

Staff Recommendation For information only.

Backgrounds Each fall, in the context of the Student Information System (SIS) data cycle, institutions submit a fall enrollment survey to the Commission for Higher Education. This survey details current-term, aggregate enrollment statistics from each institution, including headcount enrollment, full-time or part-time standing by residency status, full-time equivalency (FTE) enrollment and student entry type. Entry type records students as continuing, first-time entry, transfer or dual credit.

Commission staff requests that the institutions submit the fall 2010 fall enrollment data on September 15, 2010. All institutions have submitted this data, but all the data will not be available prior to the publishing of this agenda book. As such, the data tables will be distributed at the Commission meeting.

Supporting Documents To be distributed:
Fall 2010 Enrollment Summary

**Fall 2010 Enrollment Summary By Campus
At Institutional Census Date**

Public Institution	Fall 2009		Fall 2010 Enrollment Data				% Headcount Change from 2009	% FTE Change from 2009
	Headcount	FTE	Headcount	Full Time	Part Time	FTE		
Indiana University								
IU-Bloomington	42,347	39,297	42,464	37,436	5,028	39,379	0.3%	0.2%
IU-East	2,924	1,937	3,365	1,771	1,594	2,236	15.1%	15.4%
IU-Kokomo	2,992	1,974	3,109	1,735	1,374	2,048	3.9%	3.7%
IU-Northwest	5,560	3,868	5,969	3,560	2,409	4,194	7.4%	8.4%
IU-South Bend	8,394	5,457	8,590	4,688	3,902	5,637	2.3%	3.3%
IU-Southeast	6,840	4,689	7,178	4,164	3,014	4,949	4.9%	5.5%
IUPUI	30,383	24,039	30,566	20,240	10,326	24,387	0.6%	1.4%
Indiana University Total	99,440	81,261	101,241	73,594	27,647	82,830	1.8%	1.9%
Purdue University								
PU_West Lafayette	41,052	40,269	41,063	36,258	4,805	39,134	0.0%	-2.8%
PU-Calumet	10,133	7,220	9,807	6,150	3,657	7,053	-3.2%	-2.3%
PU-North Central	4,463	3,114	4,614	2,846	1,768	3,248	3.4%	4.3%
IP-Fort Wayne	13,675	9,638	14,192	9,007	5,185	10,091	3.8%	4.7%
Purdue University Total	69,323	60,241	69,676	54,261	15,415	59,526	0.5%	-1.2%
Indiana State University	10,534	8,839	11,494	9,044	2,450	9,685	9.1%	9.6%
University of Southern Indiana	10,516	8,789	10,702	8,308	2,394	8,971	1.8%	2.1%
Ball State University	21,401	19,315	22,083	18,291	3,792	19,965	3.2%	3.4%
Subtotal - Four Year Institutions	211,214	178,445	215,196	163,498	51,698	180,977	1.9%	1.4%
Vincennes University								
VU-Vincennes	13,690	8,181	14,163	8,222	5,941	8,476	3.5%	3.6%
VU-Jasper	943	675	922	617	305	684	-2.2%	1.3%
VU-ATC	140	101	208	111	97	162	48.6%	60.4%
VU-Marion County	104	72	126	65	61	88	21.2%	22.2%
Vincennes University Total	14,877	9,029	15,419	9,015	6,404	9,410	3.6%	4.2%
Ivy Tech Community College of Indiana								
Region 01-Gary	9,163	5,362	9,049	3,743	5,306	6,915	-1.2%	29.0%
Region 02-South Bend	8,664	4,746	8,689	2,887	5,802	4,779	0.3%	0.7%
Region 03-Fort Wayne	11,496	6,804	11,607	5,079	6,528	6,417	1.0%	-5.7%
Region 04-Lafayette	8,221	4,959	8,087	4,042	4,045	5,330	-1.6%	7.5%
Region 05-Kokomo	5,434	3,230	5,465	2,592	2,873	3,180	0.6%	-1.5%
Region 06-Muncie	8,579	5,317	9,435	5,060	4,375	6,680	10.0%	25.6%
Region 07-Terre Haute	6,451	3,853	6,365	2,878	3,487	4,271	-1.3%	10.8%
Region 08-Indianapolis	21,481	11,912	22,388	7,910	14,478	11,529	4.2%	-3.2%
Region 09-Richmond	3,770	2,118	3,913	1,546	2,367	2,324	3.8%	9.7%
Region 10-Columbus	4,944	2,852	4,651	2,091	2,560	3,342	-5.9%	17.2%
Region 11-Madison	3,077	1,756	3,025	1,422	1,603	1,931	-1.7%	10.0%
Region 12-Evansville	6,485	3,758	6,464	2,589	3,875	3,776	-0.3%	0.5%
Region 13-Sellersburg	4,843	2,842	5,133	1,879	3,254	2,954	6.0%	3.9%
Region 14-Bloomington	6,205	3,842	6,391	3,108	3,283	4,160	3.0%	8.3%
Ivy Tech Community College of Indiana Total	108,813	63,351	110,662	46,826	63,836	67,588	1.7%	6.7%
Subtotal - Two Year Institutions	123,690	72,380	126,081	55,841	70,240	76,998	1.9%	6.4%
Public Institutions Total	334,904	250,825	341,277	219,339	121,938	257,975	1.9%	2.9%

SOURCE: Indiana Commission for Higher Education, Fall Enrollment Survey, 2010.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

BIENNIAL BUDGET ITEM B: 2011-13 Budget Presentation: State Student Assistance Commission of Indiana

Staff Recommendation

For information only.

Background

By statute (IC 21-18-6), the Commission for Higher Education must review the legislative request budget of the State Student Assistance Commission of Indiana (SSACI) and make recommendations concerning appropriations.

As part of this review, the Commission has requested that SSACI present its operating budget submission and be prepared to answer questions that will assist the Commission in its review.

Supporting Documents

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

BIENNIAL BUDGET ITEM C: 2011-13 Operating and Capital Budget Presentation: Indiana University

Staff Recommendation

For information only.

Background

By statute (IC 21-18-6), the Commission for Higher Education must review the legislative request budgets of all state post-secondary educational institutions and make recommendations concerning appropriations and bonding authorizations.

As part of this review, the Commission has requested that Indiana University present its operating and capital submissions and be prepared to answer questions that will assist the Commission in its review.

Supporting Documents

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

BIENNIAL BUDGET ITEM D: 2011-13 Operating and Capital Budget Request Presentation: Ball State University

Staff Recommendation

For information only.

Background

By statute (IC 21-18-6), the Commission for Higher Education must review the legislative request budgets of all state post-secondary educational institutions and make recommendations concerning appropriations and bonding authorizations.

As part of this review, the Commission has requested that Ball State University present its operating and capital request and be prepared to answer questions that will assist the Commission in its review.

Supporting Documents

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

**BIENNIAL BUDGET ITEM E: 2011-13 Operating and Capital Budget Request Presentation:
University of Southern Indiana**

Staff Recommendation

For information only.

Background

By statute (IC 21-18-6), the Commission for Higher Education must review the legislative request budgets of all state post-secondary educational institutions and make recommendations concerning appropriations and bonding authorizations.

As part of this review, the Commission has requested that University of Southern Indiana present its operating and capital request and be prepared to answer questions that will assist the Commission in its review.

Supporting Documents

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

**BIENNIAL BUDGET ITEM F: 2011-13 Operating and Capital Budget Request Presentation:
Ivy Tech Community College of Indiana**

Staff Recommendation

For information only.

Background

By statute (IC 21-18-6), the Commission for Higher Education must review the legislative request budgets of all state post-secondary educational institutions and make recommendations concerning appropriations and bonding authorizations.

As part of this review, the Commission has requested that Ivy Tech Community College of Indiana present its operating and capital request and be prepared to answer questions that will assist the Commission in its review.

Supporting Documents

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM A: Academic Degree Programs on Which Staff Propose Expedited Action

Staff Recommendation

That the Commission for Higher Education approve by consent the following degree program(s), in accordance with the background information provided in this agenda item:

- Master of Arts in Business Education to be offered by Ball State University-Statewide via Distance Education Technology
- Master of Science in Education to be offered by Purdue University-Calumet-Statewide via Distance Education Technology
- Bachelor of Social Work to be offered by Indiana University Northwest at Gary
- Bachelor of Science in Business Administration to be offered by Indiana University East at Madison
- Bachelor of Science in Criminal Justice to be offered by Indiana University East at New Castle

Background

At its August and September 2004 meetings, the Commission for Higher Education began implementing a new policy on new academic degree programs on which staff proposes expedited action. These programs meet the criteria identified in that policy and are hereby presented for action by consent, in accordance with the aforementioned policy and the information presented in the supporting documents.

Supporting Documents

- (1) *Background Information on Academic Degree Programs on Which Staff Propose Expedited Action*, September 24, 2010
- (2) *Policy for New Academic Degree Programs on Which Staff Propose Expedited Action*, September 2, 2004

Background Information on Academic Degree Programs on Which Staff Propose Expedited Action

September 24, 2010

CHE 10-12 Master of Arts in Business Education to be offered by Ball State University-Statewide via Distance Education Technology

Proposal received on April 19, 2010
CIP Code: Federal – 131303; State – 131303
Projected Annual Headcount: 55; FTEs: 28; Degrees: 20
New State Funds Requested, Actual:
Year 1: \$ 0
Year 2: \$ 0
Year 3: \$ 0
Year 4: \$ 0
Year 5: \$ 0

Twenty-one, or 70 percent, of the 30 semester hours required for this program are offered through the Miller College of Business. For Indiana residents, the fees for a three-semester hour class taken through distance education are approximately 1/3 less than the fees charged for taking the class on campus. The program is consistent with the Commission's policy on distance education.

CHE 10-23 Master of Science in Education to be offered by Purdue University-Calumet Statewide via Distance Education Technology

Proposal received on June 1, 2010
CIP Code: Federal – 130401; State – 130401
Projected Annual Headcount: 80; FTEs: 66; Degrees: 80
New State Funds Requested, Actual:
Year 1: \$ 0
Year 2: \$ 0
Year 3: \$ 0
Year 4: \$ 0
Year 5: \$ 0

Purdue Calumet has designed its distance education offering so students will complete it in 18 months, which is 6-12 months less than students typically take on campus. Two concentrations will be initially offered through distance education: Instructional Technology and Educational Administration; the latter has been re-designed to incorporate data-driven decision-making into almost all of the eight core courses. For Indiana residents, the fees for courses taken through distance education are the same as those for on-campus instruction; the program is consistent with the Commission's policy on distance education.

CHE 10-32 Bachelor of Social Work to be offered by Indiana University Northwest at Gary

Proposal received on June 30, 2010
CIP Code: Federal – 440701; State – 440701
Projected Annual Headcount: 50; FTEs: 47; Degrees: 14
New State Funds Requested, Actual:
Year 1: \$ 0
Year 2: \$ 0
Year 3: \$ 0
Year 4: \$ 0
Year 5: \$ 0

IU Northwest offers a Master of Social Work (M.S.W.) and hence has the resources in place to offer this program. The program will provide employment opportunities to graduates in a variety of health-related and social services fields, in addition to providing advanced standing in the M.S.W., should students wish to pursue graduate study. The program fully articulates with the Ivy Tech Human Services program.

CHE 10-33 Bachelor of Science in Business Administration to be offered by Indiana University East at Madison

Proposal received on June 30, 2010
CIP Code: Federal – 520101; State – 520101
Projected Annual Headcount: 18; FTEs: 25; Degrees: 14
New State Funds Requested, Actual:
Year 1: \$ 0
Year 2: \$ 0
Year 3: \$ 0
Year 4: \$ 0
Year 5: \$ 0

At the request of Ivy Tech, IU East has been offering upper division business courses in Madison, and interest in these courses has grown to the point that Ivy Tech students are seeking baccalaureate degree completion opportunities at that site. The IU East program fully articulates with the Ivy Tech A.S. in Business Administration.

CHE 10-34 Bachelor of Science in Criminal Justice to be offered by Indiana University East at New Castle

Proposal received on June 30, 2010
CIP Code: Federal – 430104; State – 430104
Projected Annual Headcount: 42; FTEs: 28; Degrees: 14
New State Funds Requested, Actual:
Year 1: \$ 0
Year 2: \$ 0
Year 3: \$ 0
Year 4: \$ 0
Year 5: \$ 0

The IU East B.S. in Criminal Justice program has attracted students both in Richmond and other off-campus locations, and provides students with both career and baccalaureate completion opportunities, especially for Ivy Tech students who complete the Community College Criminal Justice program. The IU East program fully articulates with the Ivy Tech A.S. in Criminal Justice.

Policy for New Academic Degree Programs on Which Staff Propose Expedited Action

September 2, 2004

Pursuant to the Commission's desire to expedite action on new academic degree program requests whenever possible, the staff has identified a set of factors, which though not exhaustive, suggest when a request might be considered for expedited action by consent and when a request would require Commission consideration prior to action. With respect to the latter, the presence of one or more of the following factors might suggest a significant policy issue for which Commission attention is needed before action can be taken:

- Consistency with the mission of the campus or institution
- Transfer of credit
- New program area
- New degree level for a campus
- Accreditation
- Unnecessary duplication of resources
- Significant investment of state resources

In the absence of these factors or an objection from another institution, Commission staff will propose expedited action on new program requests. Examples of situations that pose no policy issues for the Commission include, but are not limited to:

- Adding a second degree designation to an existing program (e.g. A.S. to an A.A.S.)
- Delivering an on-campus program to an off-campus site through faculty available on-site or traveling to the site
- Adding a degree elsewhere in a multi-campus system to a new campus within the system.

All requests to offer new academic degree programs must continue to be accompanied by a full program proposal, unless otherwise specified in the guidelines. It is only after a proposal is received that a determination will be suggested as to how the request might be handled.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-1: Anderson New Construction at the Ivy Tech Anderson Campus

Staff Recommendation That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Anderson New Construction at the Ivy Tech Anderson Campus*, as described in the project description and staff analysis October 8, 2010.

Background By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

The Trustees of Ivy Tech Community College of Indiana request authority to proceed with a new construction project in Anderson. This project will be financed through the issuance of one or more series of bonds equal to the sum of \$20,000,000 authorized by the 2009 General Assembly.

Supporting Document Anderson New Construction at the Ivy Tech Anderson Campus, October 8, 2010.

ANDERSON NEW CONSTRUCTION AT THE IVY TECH ANDERSON CAMPUS

Project Description and Staff Analysis

SUMMARY

The 2007 General Assembly authorized the College to plan for new construction in Muncie and Anderson and the 2009 General Assembly authorized the College to construct a new building for Ivy Tech Community College in Anderson by issuing bonds not to exceed \$20,000,000. The College proposes using all of the 2009 bonding authority for a new building in Anderson on land provided by the community.

The proposed new Anderson building would be approximately 76,360 gross square feet (GSF) or 49,400 assignable square feet (ASF). The new construction will occur on land provided by the City of Anderson along Interstate 69. The City of Anderson purchased approximately 38 acres of land in the 400 - 800 blocks of East 60th Street (between Columbus Avenue and Main Street) on the south side of 60th street in Anderson. The property is bounded on its south side by Interstate 69 right of way. The City of Anderson, through its Redevelopment Commission has donated the land to the College. The donated land has an appraised value of approximately \$855,000.

DESCRIPTION OF THE PROJECT

The Anderson Campus of Ivy Tech's East Central Region currently resides on approximately 30 acres of land at the corner of Main and 53rd Streets. The 43,520 GSF facilities were opened in 1990 and were built to accommodate 1,200 students, student support services, faculty offices, a bookstore, business office operation, a library and a student lounge. Current enrollment is well over 2,600 students and another 105,000 GSF is being leased on a short term, temporary basis to accommodate enrollment growth. All leased space will be terminated at the completion of construction. This project will allow for the expansion of programs and services in line with the College's mission, community workforce training and economic development. Expansion of the College's programs and space to accommodate the expansion is an integral part of the Anderson community's efforts to redefine its economic base.

The new building will house programs from four of the College's academic schools (Business, Technology, Public and Social Services, and Liberal Arts and Sciences) with the addition of classroom lab space. Support spaces will include faculty offices, student lounge, and a library. The construction of the new building will permit the existing facility on 53rd Street to be dedicated to the School of Health Sciences and allow for expansion of their programs.

The new building is expected to be free standing, steel framed, two-story facility with brick exterior and a combination of block and steel stud and drywall interior construction. Sufficient parking will be constructed to accommodate the anticipated enrollments. The environmental system will include self-supporting, zoned WAC units.

Planning indicates that the assignable area needed for the new building will include the following:

- Multi-use classrooms that will provide state-of-the-art technology and be flexible for use by multiple academic programs.
- Multi-use computer labs that can serve as classroom space for such programs as Computer Information Services as well as the Business School, and also provide "open" computer areas to assist students in their coursework.
- Student Services area that will provide easy access to admissions, financial aid, registration, advising, student development, bursar, testing, and bookstore. These areas will be located along the main spine of the building making access convenient and efficient.
- Office space for administration and Workforce and Economic Development.
- Faculty offices will be provided to accommodate the growing number of faculty and adjunct professors as enrollments continue to increase. Unassigned adjunct workspace will allow for use by more teaching staff.
- A library and group study areas and access to computer resources.
- Student commons area to provide access to vending, food service vendor(s), and group/individual study areas.

Schmidt Associates has been identified to provide consulting services for this project.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

As a statewide, open-access, community college, Ivy Tech Community College of Indiana provides residents of Indiana with professional, technical, transfer, and lifelong education for successful careers, personal development, and citizenship. Through its affordable, quality educational programs and services, the College strengthens Indiana's economy and enhances its cultural development. Ivy Tech Community College strives to accomplish its mission placing strategic emphasis on professional and technical education, general education, transfer education, developmental education, student development and services, continuing education, workforce education and training, community service, diversity and continuous improvement of all instruction and services.

The project supports the mission of the College and it is aligned with the Strategic Plan to bring new and expanded educational programs to the East Central region and marketplace driven workforce education and economic development to Muncie, Anderson, and Marion, and surrounding communities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

According to a study completed in February 2006 by Energize ECI, the Partnership for East Central Indiana, the East Central Region encompasses eight contiguous counties and occupies approximately 3,842 square miles, was home to 550,000 people with almost 221,000 workers on covered payrolls in more than 11,000 business establishments. Today, there are fewer people in every one of those eight counties. Of the 25 Indiana counties that have consistently lost population since 2000, all seven counties served by Ivy Tech's East Central Region are included. During the past 15 years, when nearly 25 million jobs were added nationally, East Central Indiana moved the other direction. The number of workers on payrolls region-wide is lower today than in 1990. The 196,700 workers on covered payrolls in the first quarter of 2005 are 14,700 less than the same quarter in 1990. Over the same period, the rest of Indiana enjoyed an increase of nearly 400,000 jobs.

Much of the loss in residents and jobs is attributed to the closures and downsizing of major manufacturing facilities - Thomson in Marion, General Motors' Remy International, Guide Lamp in Anderson, and Borg-Warner Automotive in Muncie to name a few. But there is an opportunity for Ivy Tech to be a part of and have a major impact on the revitalization of East Central Indiana.

According to a report prepared by the Eastern Indiana Economic Growth Region 6 Strategic Skills Initiative, the region's dominant industries, in addition to manufacturing, are Education, Health Services and Public Administration. As a result, the Initiative identified six occupations as critical to the area's growth: health diagnosing and treating occupations; health technologists and technicians; life scientists; business operations specialists; metal and plastic workers, and truck drivers - heavy tractor trailers. Those working on the Initiative also uncovered several cross-cutting skills shortages, which include communications, reading comprehension, computer literacy, mathematics and science, problem solving, leadership and ethics. With much of programming already in place, Ivy Tech East Central can meet these challenges with additional space and upgraded facilities.

In the past 10 years (1999 to 2009), Ivy Tech East Central Region has experienced continual growth. At Muncie, the enrollment has increased 138.4 percent in the past ten years. In 1996, the Region offered 240 courses on its three campuses. By 2005, course offerings totaled 318. The number of faculty has grown from 39 full-time and 186 adjuncts in 1969 to 88 full-time and 375 adjuncts in 2008. This growth in faculty has been critical for the growth and to meet the student and workforce demands.

Enrollment is at a level that the College leased modular classrooms and space in other buildings in Muncie on a temporary basis. Without this leased space the College would have been faced with turning away students in need of education and training when they need it the most; to pursue additional education at a reasonable cost or to get training that would expand their employment opportunities.

New and improved services to the community, within the mission of the College and Strategic Plan, will be attained by an increase in accessible, quality space for general classrooms, labs, student lounge/study areas, offices and flexible space for future programming.

The College seeks to combine programs in related disciplines all at two locations and further seeks to add space to accommodate new program and enrollment growth as was done for the recently approved Dental Hygiene program at the main campus using College funds.

ALTERNATIVES CONSIDERED

Three options were considered to bridge the gap between the current overcrowding and this request for a capital construction project.

1. Construct temporary modular units at the main 53rd Street location. This option offers the benefit of combining all activities at one site in Anderson. However, this option carried high lease costs (\$585,000 annual lease plus operating costs), adds high costs for temporary utility extension, and provides the lease net gain of additional classrooms.
2. Purchase and renovation of the Meadowbrook elementary school on 39th Street in Anderson. This option had a high initial cost (purchase and renovation over \$1.0 million) for a small amount of space (30,000 square feet) on a small amount of land in a residential neighborhood.
3. Secure additional leased space elsewhere in Anderson: several vacant properties are immediately available throughout the community to accommodate enrollment growth. Currently the College is leasing the Ebbert Education Center under a three year lease.

Minimal work was done to make this a viable short-term option. For long-term use significant remodeling expenditures would be needed and since it is leased space, at some time in the future, its use would be terminated. Additional options have been considered, but each would require significant remodeling expenditures and lack of very long term use. No leased options offer the permanent space needed by the College at one of its main campuses.

None of the options provide sufficient, permanent space needed to accommodate current and future enrollments.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

Regional administration anticipates vacating the Anderson Ebbertt building upon completion of the proposed project. The proposed project will address the immediate critical need. Long-term planning will involve additional facilities and significant renovation to the existing main campus facilities.

HISTORICAL SIGNIFICANCE

There are no buildings of historical significance involved in this project and the site is not a historical site.

STAFF ANALYSIS

The Anderson new construction project was one of the few capital projects recommended in the Commissions' 2009-2011 Biennial Budget Recommendation. The project, funded entirely through state support, will cost approximately \$20 million and would add \$1.7 million per year to Ivy Tech's fee replacement support from the state starting in 2012. For 2010-11, Ivy Tech's debt ratio is approximately 15% while the overall public institution's debt ratio is approximately 13.6%. The Commission projects Ivy Tech's debt ratio to be approximately 15.4% by 2013. No outside funding, gifts or donations will be used to support the cost of constructing this building.

Currently, the Anderson Campus is split between two buildings. The first is owned by Ivy Tech and houses Dental Hygiene programs and some administrative offices (43K GSF). The second is a leased building from the Anderson School System (105K GSF) which houses general education programs and services. The leased facility is in poor condition, lacks ADA requirements and due to the setup of the facility is inefficient for classroom space. Upon completion of the new Anderson Campus Building, Ivy Tech would vacate the current leased space, using savings from lease costs to cover the operational costs of the new building (76K GSF).

Ivy Tech notes they have looked at other space to lease/occupy rather than building the new facility and cannot identify any space in Anderson that would meet their requirements for providing academic services and programs. Anderson's FTE enrollment has increased from 2009 to 2010 by approximately 19%; however, the average 5 and 10 year percentage growth in FTE has been 4.7% and 10% respectively. Ivy Tech notes that a new building will result in an increase in enrollment as they have experienced on other campuses. Staff will note that growth for Ivy Tech has increased when new buildings are completed; however, long term growth in enrollment is not at the same level historically.

Staff recommends that additional analysis should be conducted by Ivy Tech and the Commission regarding a long term strategy pertaining to new permanent buildings for Ivy Tech versus leases that would allow for flexibility in enrollment changes, demands by the community and overall economic conditions in the state. In some cases, permanent buildings in various locations could be warranted while other locations might require continuation of leased space before moving forward with permanent structures.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-2: Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

The Trustees of Ivy Tech Community College of Indiana request authority to proceed with the renovation/build out of two floors of the previously donated Fisher Building in Muncie. This project will be financed through the issuance of one or more series of bonds equal to the sum of \$4,800,000 authorized by the 2007 General Assembly.

Supporting Document

Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus, October 8, 2010.

MUNCIE/ANDERSON PLANNING REVISED AT THE IVY TECH MUNCIE CAMPUS

Project Description and Staff Analysis

SUMMARY

The College's Foundation received a gift of the four-floor plus basement, 135,400 square foot Fisher Building in downtown Muncie in 2009. The College's Foundation has proceeded with building out one floor of this facility and leasing it to the College. This building is the anchor of a major initiative for the College in downtown Muncie. The building is sound and can be built-out to accommodate instruction use. The College is requesting that the \$4.8 million of bonding authority from the 2007 General Assembly be used to build out two more floors of the Fisher Building.

DESCRIPTION OF THE PROJECT

The 2007 General Assembly authorized the College to plan for new construction in Muncie and Anderson and the 2009 General Assembly authorized the College to construct a new building for Ivy Tech Community College in Anderson by issuing bonds not to exceed \$4,800,000 and \$20,000,000 respectively. In a separate request the College proposes using all of the 2009 bonding authority for a new building in Anderson on land provided by the community. This request is to use the \$4.8 million bonding authority to renovate build-out two floors of the Fisher Building in Muncie. The Fisher Building was donated to the College's Foundation by the Fisher family in July 2009.

The College plans to use the \$4.8 million bonding authority authorized by the 2007 General Assembly to renovate two floors of the Fisher Building in downtown Muncie. Renovation will build out approximately 48,675 gross square feet/31,050 assignable square feet to provide classrooms, teaching labs, faculty offices, meeting rooms, student gathering spaces, and support spaces.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

As a statewide, open-access, community college, Ivy Tech Community College of Indiana provides residents of Indiana with professional, technical, transfer, and lifelong education for successful careers, personal development, and citizenship. Through its affordable, quality educational programs and services, the College strengthens Indiana's economy and enhances its cultural development. Ivy Tech Community College strives to accomplish its mission placing strategic emphasis on professional and technical education, general education, transfer education, developmental education, student development and services, continuing education, workforce education and training, community service, diversity and continuous improvement of all instruction and services.

The project supports the mission of the College and it is aligned with the Strategic Plan to bring new and expanded educational programs to the East Central region and marketplace driven workforce education and economic development to Muncie, Anderson, and Marion, and surrounding communities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

According to a study completed in February 2006 by Energize ECI, the Partnership for East Central Indiana, the East Central Region encompasses eight contiguous counties and occupies approximately 3,842 square miles, was home to 550,000 people with almost 221,000 workers on covered payrolls in more than 11,000 business establishments. Today, there are fewer people in every one of those eight counties. Of the 25 Indiana counties that have consistently lost population since 2000, all seven counties served by Ivy Tech's East Central Region are included. During the past 15 years, when nearly 25 million jobs were added nationally, East Central Indiana moved the other direction. The number of workers on payrolls region-wide is lower today than in 1990. The 196,700 workers on covered payrolls in the first quarter of 2005 are 14,700 less than the same quarter in 1990. Over the same period, the rest of Indiana enjoyed an increase of nearly 400,000 jobs.

Much of the loss in residents and jobs is attributed to the closures and downsizing of major manufacturing facilities - Thomson in Marion, General Motors' Remy International, Guide Lamp in Anderson, and Borg-Warner Automotive in Muncie to name a few. But there is an opportunity for Ivy Tech to be a part of and have a major impact on the revitalization of East Central Indiana.

According to a report prepared by the Eastern Indiana Economic Growth Region 6 Strategic Skills Initiative, the region's dominant industries, in addition to manufacturing, are Education, Health Services and Public Administration. As a result, the Initiative identified six occupations as critical to the area's growth: health diagnosing and treating occupations; health technologists and technicians; life scientists; business operations specialists; metal and plastic workers, and truck drivers - heavy tractor trailers. Those working on the Initiative also uncovered several cross-cutting skills shortages, which include communications, reading comprehension, computer literacy, mathematics and science, problem solving, leadership and ethics. With much of programming already in place, Ivy Tech East Central can meet these challenges with additional space and upgraded facilities.

In the past 10 years (1999 to 2009), Ivy Tech East Central Region has experienced continual growth. At Muncie, the enrollment has increased 138.4 percent in the past ten years. In 1996, the Region offered 240 courses on its three campuses. By 2005, course offerings totaled 318. The number of faculty has grown from 39 full-time and 186 adjuncts in 1969 to 88 full-time and 375 adjuncts in 2008. This growth in faculty has been critical for the growth and to meet the student and workforce demands.

Enrollment is at a level that the College leased modular classrooms and space in other building in Muncie on a temporary basis. Without this leased space the College would have been faced with turning away students in need of education and training when they need it the most; to pursue additional education at a reasonable cost or to get training that would expand their employment opportunities.

New and improved services to the community, within the mission of the College and Strategic Plan, will be attained by an increase in accessible, quality space for general classrooms, labs, student lounge/study areas, offices and flexible space for future programming.

ALTERNATIVES CONSIDERED

Three options were considered to bridge the gap between the current overcrowding and this request for a capital construction project.

1. Construct temporary modular units at the Muncie main campus location on South Cowan Road in addition to the modular units currently leased. However, this option carried high lease costs, adds high costs for temporary utility extensions, and provides the least net gain of additional classrooms.
2. Secure additional leased space elsewhere in Muncie: several vacant properties are immediately available throughout the community to accommodate enrollment growth. For long-term use, significant remodeling expenditures would be needed and since it is leased space, at some time in the future; its use would be terminated. Additional options have been considered, but each would require significant remodeling expenditures and lack of very long term use. No leased options offer the permanent space needed by the College in Muncie.

None of the options provide sufficient, permanent space needed to accommodate current and future enrollments and when the Fisher Building was offered as a permanent downtown campus site all other options were significantly less attractive for a long term solution to part of Ivy Tech Muncie's space needs.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

The proposed project will address the immediate critical need and provide long term space in downtown Muncie. Long-term planning will involve additional facilities and significant renovation to the existing main campus facilities on South Cowan Road.

HISTORICAL SIGNIFICANCE

There are no buildings of historical significance involved in this project and the site is not a historical site.

STAFF ANALYSIS

Ivy Tech is requesting funding provided by the 2007 General Assembly to renovate two floors in a donated building in the Muncie area at a cost of approximately \$4.8 million. Funding for the project will be supported entirely by the state and the estimated fee replacement for this project is approximately \$418,000 annually starting in 2012. For 2010-11, Ivy Tech's debt ratio is approximately 15% while the overall public institution's debt ratio is approximately 13.6%. The Commission projects Ivy Tech's debt ratio to be approximately 15.4% by 2013. No outside funding, gifts or donations will be used to support the cost of renovation of this building.

The Muncie campus has seen stable growth over the last 10 years. FTE enrollment has grown on average by 8.0% over the last 10 years and 8.5% over the last 5 years. From 2009 to 2010, FTE enrollment has increased by 23.7% and is projected to grow at 8% in the future based on Ivy Tech's enrollment assumptions. Staff believes that this stable growth will continue in the Muncie area and the renovation of this donated building will allow for classrooms and labs to address such growth.

With this renovation no current space will be removed or closed; therefore this new renovation will add 48,000 GSF of new space to the Muncie campus, addressing the continued growth of FTE enrollment at the Muncie site. It is noted that Ivy Tech has requested in its 2011-13 Biennial Capital Request \$35 million for new capital projects in Muncie that include new construction and renovations of currently owned buildings by Ivy Tech. The total impact would add approximately 70,000 GSF to the Muncie campus.

Staff will note that in Region 6 (Muncie, Marion, and Anderson) a large amount of capital will potentially be spent in this area. In 2005 Ivy Tech requested, and was approved to construct, a \$20 million facility in Marion which was completed in 2008. Through current capital requests, Ivy Tech will incur nearly \$25 million in capital projects in Muncie and Anderson and has requested in their long term capital plan an additional \$85 million through 2021 for Region 6. A total projected investment since 2005 of \$130 million mostly provided through state funds.

Staff recommends that additional analysis should be conducted by Ivy Tech and the Commission regarding a long term strategy pertaining to new permanent buildings for Ivy Tech versus leases that would allow for flexibility in enrollment changes, demands by the community and overall economic conditions in the state. In some cases, permanent buildings in various locations could be warranted while other locations might require continuation of leased space before moving forward with permanent structures.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-3: Teaching Theatre- Replacement Project at the University of Southern Indiana Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Teaching Theatre- Replacement Project at the University of Southern Indiana Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

The Trustees of the University of Southern Indiana request the approval for the release of funds for the construction and financing of the University's Teaching Theatre- Replacement Project authorized by the 2009 Indiana General Assembly. The total budget for this project is \$16,500,000. In discussions with members of the State Budget Committee in fall 2009, the University agreed to raise the remaining amount in private gifts and University funds for the project and not request the total amount of bonding authorized by the General Assembly. The \$13,000,000 in bonding authorization is what is requested to proceed with the financing plan for the project, design, and construction of the new facility.

Supporting Document

Teaching Theatre- Replacement Project at the University of Southern Indiana Campus, October 8, 2010.

TEACHING THEATRE – REPLACEMENT PROJECT AT THE UNIVERSITY OF SOUTHERN INDIANA CAMPUS

Project Description and Staff Analysis

SUMMARY

The University of Southern Indiana proposes construction of a \$16,500,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus. The University requests release of \$13,000,000 in bonding authorization approved by the 2009 Indiana General Assembly for construction of the project. The balance of the project will be funded through private gifts and University funds. The proposed theatre will seat approximately 350 people and will be constructed adjacent to the University Center. It will better serve the educational needs of the Department of Performing Arts and will provide a more appropriate venue for on-campus theatrical and musical productions and other special events.

DESCRIPTION OF THE PROJECT

The University of Southern Indiana proposes construction of a \$16,500,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus at 3001 Igleheart Avenue. The University received \$15,000,000 in bonding authorization from the 2009 Indiana General Assembly for construction of the project, but only requests \$13,000,000 in bonding authorization. The \$3,500,000 balance of the project will be funded through \$2,000,000 in private gifts and donations and \$1,500,000 from University funds.

In the mid-1970s, the University purchased a 152-seat theatre built in the 1950s from the Catholic Theatre League to be used as the University Theatre. A church parking lot across the street from the theatre is used for parking. In the early 1990s, the USI Foundation purchased the church and currently leases the facility to the University. The church was renovated at the time of purchase and is used today as a costume shop, scene design area, and practice facility for the Theatre Department. The University's theatre program has outgrown the current facility and its distance from campus limits the opportunity for students to easily participate in activities related to the theatre. The proposed Teaching Theatre will bring the two off-campus locations on campus to better serve students and the University community.

The new 21,929 assignable square foot (ASF) Teaching Theatre will be constructed adjacent to the expanded University Center and be connected by an atrium. The University Center Expansion project will provide new space for student programs, University outreach programs, expanded dining and meeting facilities, and will be a central gathering spot on campus. The new theatre will be ideally situated at the confluence of University activities and will be a location offering cultural enrichment in the form of educational programming and entertainment to the University community. The theatre will seat approximately 350 people and will be designed with a thrust stage. It will be ideally sized to serve the needs of the theatre program and to provide a venue for such additional events as special speakers, small performance groups, and musical recitals and performances. In serving the educational needs of the Department of Performing Arts, the Teaching Theatre will create opportunities for the instruction of all aspects of design and production beginning at the point of load-in and continuing on through strike of production elements (in effect, all post-shop aspects of production). As a teaching theatre it will provide a practice lab/classroom to teach key design and production elements, enhancing the education of USI theatre students.

The theatre facility will include support areas to facilitate the loading in and out of sets and properties, offstage storage space, "green room" space, dressing rooms, wardrobe, and laundry facilities. Storage adequate for running productions as well as maintaining a reasonable inventory of light and sound equipment with an area dedicated to equipment maintenance are included in the project. The stage will be designed to move equipment on and off stage with reasonable ease. The theatre will be designed with a loading facility to receive deliveries by large trucks.

The proposed staging will include general dimensions and a traditional proportion of a thrust or modified thrust theatre and multiple entrances typical of the thrust will be part of the design. Adequate space for stage management, sound and lighting booths, and all lighting positions will be included in the design. The Teaching Theatre will feature adequate peripheral service areas to enhance production and, most important, to insure the appropriate education and training of students. Full box office facilities and controlled access of entrances and exits will enable the facility to operate and to serve as a multipurpose venue.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The University of Southern Indiana is a broad-based institution offering instruction, research, and service. A liberal arts and science curriculum provides the foundation of knowledge for all programs and complements undergraduate programs leading to careers in business, engineering, government, health professions, education, and related fields. Selected master's degrees serve persons in professional and technical fields. As a public institution, the University of Southern Indiana counsels and assists business and industry, as well as social, education, governmental, and health agencies to higher levels of efficiency and improved services. Approximately 10,500 students are enrolled in degree programs; in addition, another 15,000 students enroll annually in noncredit, continuing education, workforce training, and professional development programs at the University.

The proposed Teaching Theatre will replace the 50-year old off-campus theatre located approximately four miles from campus and will better serve the growing needs of the University and its students as a multipurpose performance venue.

The construction of dedicated performance space on campus supports the University's commitment to arts education and to the cultural needs of the community. The University's Theatre Arts Program has grown significantly in the past 20 years and is now part of the Department of Performing Arts. The Department and its attendant programs have outgrown the theatre on Igleheart Avenue and planned growth of the theatre program is limited because of the current facilities and distance from campus.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The University of Southern Indiana has experienced tremendous growth during its 45- year history. In the mid-1970s, when the off-campus theatre was purchased, the University served a student population of about 2,500 students. Today, over 10,500 students are enrolled in degree programs with an additional 15,000 students enrolled annually in noncredit, continuing education, workforce training, and professional development programs.

Need for New Facility

The off-campus theatre no longer can support the needs of the USI Theatre Program. The University has maximized the capacity of the current theatre and it will not be able to continue in its current capacity as the main stage of the USI Theatre. There are three primary reasons for construction of a replacement Teaching Theatre on the University campus.

1. Current facilities are inadequate -size and structure
2. Off-campus location
3. Widening of Highway 62, the Lloyd Expressway

Current Facilities

As a teaching facility, the current USI Theatre was never an optimum solution for the needs of the University. The theatre was designed very simply and inexpensively in 1955 by the Catholic Theatre League and has never been an effective teaching site. It is an inconvenient place to stage and teach theatre and lacks adequate space for productions. There are maintenance issues with the building including flooding and electrical problems resulting in safety concerns. Repairs to the facility are expensive for what it provides and due to its location; it is not easily maintained by Physical Plant personnel. The costume shop and scene shop are in buildings ill suited for their use. The buildings were not properly designed to serve the needs of the theatre department or the University community.

The needs of a modern performing arts program have rendered the theatre obsolete because of accessibility problems and because it was not built to the standards a good theatre education facility requires. The theatre served a temporary purpose when the University acquired it in the mid-1970s as a stopgap measure to provide some growing space to USI's young program, but the program has clearly outgrown the space and a new venue is needed to meet the needs of the University.

Off-Campus Location

The location of the theatre, approximately four miles from campus, has hampered the growth of the theatre program. It presents logistical difficulties to students who want to take classes on site. It also has hampered the growth of an audience culled from the University community, who find its location remote and inconvenient. Maintenance of the facility is difficult for Physical Plant personnel because of its distance from campus and the condition of the buildings.

Widening of Highway 62, the Lloyd Expressway

The area in front of the theatre will undergo change in the near future as the site is redesigned to become an entrance ramp to Highway 62, the Lloyd Expressway. This change will eliminate the support buildings for the current theatre and nearly 60 percent of the parking for the facility. Without the support buildings and with inadequate parking, the theatre will be virtually useless as a performance venue. Widening of Highway 62, the Lloyd Expressway, is included in the current Evansville Metropolitan Planning Organization Transportation Plan. The roadway project is in the planning stages, although a start date has not been determined. The pending roadway project requires the University to evaluate alternative facilities to accommodate the University's Theatre Program.

Maintenance issues and the need for upgrades and renovations in a building that will be rendered useless by the Department of Transportation make plans for any large expenditure of money in this facility impractical; the life of the facility cannot justify it, nor can its location.

Design of New Facility and Contribution to Education Services

The proposed Teaching Theatre with more than 350 seats more than doubles the seating available in the current theatre. It will be designed with a thrust stage and will be ideally sized to serve the needs of the Theatre Program and to provide a venue for special speakers, small performance groups, and musical recitals.

Educational opportunities in the Department of Performing arts include curricula in both theatre and music. The Theatre Program offers a fully articulated major in Theatre Arts as well as a minor in Theatre Arts and Theatre Education. Currently there are approximately 70 theatre majors while hundreds of non-majors take courses in theatre and music every year.

A joint production effort between the USI Theatre and the New Harmony Theater, known as the Fall Repertory Project, began in fall 2007. This program is an innovative model for undergraduate theatre programs. It brings professional theatre to the University. Undergraduate students gain the experience of working side by side with theatre professionals in classroom activities and in productions.

The new Teaching Theatre will attract more students into the Theatre Program and will provide theatre majors with a quality educational experience. With a larger auditorium many new and innovative programs will be possible on campus. From matinee performances for K-12 students to enhanced production schedules for theatrical and musical performances, the new teaching Theatre will provide cultural outreach to regional school systems and to the community.

ALTERNATIVES CONSIDERED

Productions and performance classes at the off-campus theatre were discontinued in 2007 due to the poor conditions of the building and because of the theatre's inadequate facilities. As a short-term solution, the Performing Arts Department uses the Mallette Studio Classroom located in the lower level of the Liberal Arts Center to teach studio classes and for productions. It is the only classroom dedicated to theatre instruction. Despite its on-campus location, it is not adequately designed to serve as the performance space to replace the off-campus theatre for several reasons.

- The support facilities for the Mallette Studio Classroom are not adequate for large or intermediate scale productions.
- Use of the Mallette Studio Classroom as a performance space requires relocation of classes to facilities that are not designed for teaching theatre performance.
- As a black box theatre, the Mallette Studio Classroom is not designed to offer design and technical students the broadest range of instruction.
- The Mallette Studio Classroom seats approximately 100 people, depending upon the staging configuration. The theatre is too small to serve the University audience without an extended performance run of shows. Additional runs add costs to productions and create hardships for participants because of additional time commitments. New theatre space will rectify this problem and allow for one week of production rather than the current two.
- The auditoriums and large classrooms on campus are considered lecture stages and lack the backstage support necessary for traditional theatrical productions or a practical educational experience.

Without a teaching theatre and with the inevitable loss of the off-campus theatre, the Theatre Program and the Department of Performing Arts will be forced to depend upon what is primarily a studio classroom or an alternative off-campus venue for performances. Other venues that might be rented in the Evansville area are even further from campus. In addition to issues of accessibility, these alternative venues would be more costly and would not provide a permanent solution for the Theatre Program and the Department of Performing Arts.

Plans for the construction of a performing arts facility have been a part of the University's Ten-Year Capital Improvement Plan for almost 20 years, since 1991-93. The proposed Teaching Theatre will provide a more appropriate venue for on campus theatrical and musical productions and other special events.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

The Teaching Theatre project is an integral part of the University's long-range facility plan. The University Center Expansion Project, currently under construction, includes the renovation of the existing library and expansion of the University Center. The Teaching Theatre, as part of the University Center complex, will be conveniently located and easily accessible to students and the University community. With access to meeting facilities and food services, the new Teaching Theatre will be a multi-use facility.

HISTORICAL SIGNIFICANCE

The project does not involve historically significant buildings. The proposed Teaching Theatre will be built as an extension of the University Center complex.

STAFF ANALYSIS

USI is requesting approval to construct a 33,500 GSF Teaching Theatre on campus to replace a decommissioned teaching theatre that is currently off campus. The estimated cost of the project is \$16.5 million, with \$2 million from gifts/donations, \$1.5 million from University Funds and \$13 million from state funds. Estimated fee replacement for this project is \$1.1 million and will begin payment in 2012. For 2011, USI's debt ratio is approximately 22.1% compared to the institution wide debt ratio of 13.6%. It is projected by CHE that USI's debt ratio will be 23.9% by 2013.

Currently, space for the teaching theatre is located in the Liberal Arts Center on campus in a studio classroom that has been retrofitted to be a teaching theatre. Prior to 2007, USI used an off campus location to house its teaching theatre; however, due to building issues, safety and location, USI decommissioned the site and moved theatre activities and programs on campus to the Liberal Arts Center. The current location can house 90 to 100 people and provides performances by students. There are no other locations on campus that provide a performance theatre setting or theatre set up for students and faculty.

USI has approximately 70 students majoring in theatre who utilize the current teaching theatre. Another 100 students who are non-theatre majors take classes that involve a teaching theatre setting. USI projects that with a new teaching theatre and performance facility additional students will enroll in the Performing Arts Program and take classes. In addition, the new facility will allow for other major events to be housed on campus and potentially generate revenue based on productions and events held at the new facility.

The cost to operate the new facility is approximately \$175,000 annually and would be paid for through campus wide operational savings. USI is currently working to secure the \$2 million in gifts for the Teaching Theatre and the \$1.5 million of university funds has been secured through setting funds aside *over time*. *With gift and university funds the cost to the state will be \$13 million or 79% of the total project cost.* Staff urges USI to continue to identify outside funding sources for this project as it continues its approval process in order to reduce the overall fee replacement and reduce USI's debt ratio in the future.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-4: Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

Work on Phase 1 of Ball State University’s Central Campus Academic Renovation & Utility Improvements Project is underway. The three buildings being addressed by the Central Campus Academic Renovation are in critical need of renovation to address emerging instructional and technological requirements as well as outdated and inefficient mechanical and electrical systems. Phase 2 of the renovation will build upon the work started by Phase 1 by completing work in the Teachers College also addressing needs in Applied Technology.

Supporting Document

Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus, October 8, 2010.

CENTRAL CAMPUS ACADEMIC RENOVATION & UTILITY IMPROVEMENTS PROJECT – PHASE 2 AT THE BALL STATE UNIVERSITY CAMPUS

Project Description and Staff Analysis

SUMMARY

The Central Campus Academic Renovation & Utility Improvements Project is part of Ball State University's strategic plan to improve the core facilities serving the Teachers College, the College of Applied Sciences and Technology, the College of Sciences and Humanities, and the offices providing academic advising to all undergraduate students. The entire project will be comprised of two phases involving three neighboring buildings: Teachers College Building, Applied Technology Building, and North Quadrangle Building. The renovations of these three major academic buildings in the central portion of campus will provide state-of-the-art learning environments for students and faculty to study and work.

DESCRIPTION OF THE PROJECT

The Central Campus Academic Renovation & Utility Improvements Project-Phase 2 was presented as the University's highest capital project priority for the 2009-11 biennium. The 2009 Indiana General Assembly approved and appropriated funding for Phase 2 of the project. While Phase 1 addressed the renovation of the North Quadrangle Building and began work on the Teachers College Building Phase 2 will build upon these improvements in Teachers College and also include the renovation of the Applied Technology Building. Most of the mechanical, plumbing and electrical infrastructure and systems of the Teachers College are original to the building. Little renovation has been initiated since the building's construction, and the facility is now reaching an age when many component replacement needs have emerged, making a complete renovation project necessary. Renovation of this building will include installation of a fire sprinkler system, replacement of the vertical electric bus system, replacement of all main air handling units, and evaluation of all other systems. The portion of this work that will not be addressed with Phase 1 funds will be completed in Phase 2. The proposed renovation of the Applied Technology Building will involve upgrading of laboratories and technology infrastructure; replacement of lighting systems; improvements to heating, cooling, and ventilation systems; replacement of plumbing and plumbing fixtures; installation of new electrical and communication systems; and replacement of original floor, ceiling, and wall materials. The facility also will be renovated to provide total access for people with disabilities.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

Teachers College and Applied Technology, the two buildings to be renovated in Phase 2, are located in the heart of the campus. Because of the building's environmental systems, fire exiting arrangements, and program needs, the renovation should be undertaken as a continuous, intense project.

Constructed in 1966, the Teachers College Building remains a signature building on the Ball State campus. This high-rise, 126,000 square foot facility has retained its original purpose of providing instructional classrooms and faculty offices in support of the well-regarded Teachers College. The building is intensely used by more than 4,000 Teachers College student majors and faculty members. When renovated, the Teachers College Building will support and reflect the fresh spirit and importance of Indiana's future teachers.

Formerly known as the Practical and Industrial Arts Building, the Applied Technology Building was constructed in two phases between 1948 and 1950. The facility is a 93,000 square foot, two-story structure containing classrooms, laboratories, and faculty offices for the technology and family and consumer sciences programs. Throughout its history, the Applied Technology Building has served multiple academic programs and practical applications. As teaching methods and technology have become more advanced, periodic small renovations have been accomplished. However, little upgrading has been made to the comprehensive building systems.

The Central Campus academic Renovation & Utility Improvements Project builds upon one objective of the University's strategic plan – to create a vibrant and supportive campus atmosphere. The work will not only provide for necessary life safety and mechanical, electrical, and HVAC improvements, but also modernize classrooms to support today's teaching and learning practices.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

N/A

ALTERNATIVES CONSIDERED

N/A

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

N/A

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Ball State University is requesting favorable approval of the Central Campus Phase 2 project by the Commission. Phase 1 is a continuation of a major repair, renovation and utility upgrade project at the Ball State Campus, specifically the central quadrangle area that includes the Teachers College Building and the Applied Technology Building. The estimated cost of the Phase 2 project is \$19.7 million and would be funded entirely from state funds. The estimated fee replacement for this project is \$1.7 million annually. For 2011, BSU's estimated debt ratio is 10.3% and is projected to be 13.6% in 2013 based on Commission calculations.

Overall, the improvements being made will result in efficient buildings that offer academic space to students, faculty and staff at BSU. Estimated savings are difficult to determine at this time, however, BSU believes that with these new renovations and upgrades savings will be realized to help reduce the overall cost of operating these buildings. In addition, by renovating these buildings, much deferred repair and rehabilitation will be reduced overall for BSU and could result in less repair and rehabilitation funds in the future necessary to keep the campus maintained.

Staff notes that BSU has begun construction for Phase 1 with the North Quad and expects to complete the project by January of 2012. BSU is awaiting approval of Phase 2 in order to start renovations of Phase 1 Teachers College with the reasoning that savings could be created by bidding and starting all of Teachers College renovations for both Phases at the same time. With Phase 1 and 2 providing 50% of the work on the

Teachers College, BSU feels that having all funding in place at once would benefit the cost and renovation of the Teachers College. Staff notes that if funding is not provided for Phase 2 renovation only the North Quad renovation will be completed and the Teachers College and Applied Technology renovation will be placed on hold until funds are available.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-5: Lease of Space – 2039 North Capitol Avenue for Indiana University – Purdue University Indianapolis

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Lease of Space – 2039 North Capitol Avenue for Indiana University – Purdue University Indianapolis*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

Indiana University seeks authorization to enter into a lease on behalf of and for the use of the Indiana University school of Health and Rehabilitation sciences. Annual rent is \$114,530 with a cost of renovations not to exceed \$245,000.

Supporting Document

Lease of Space – 2039 North Capitol Avenue for Indiana University – Purdue University Indianapolis, October 8, 2010.

**LEASE OF SPACE – 2039 NORTH CAPITOL AVENUE FOR INDIANA UNIVERSITY –
PURDUE UNIVERSITY INDIANAPOLIS**

Project Description and Staff Analysis

SUMMARY

Indiana University seeks authorization to enter into a lease on behalf of and for the use of the Indiana University school of Health and Rehabilitation sciences. The premises consist of 8,810 square feet which, when renovated, will house office, exam and classroom space for the school of Health and Rehabilitation Sciences. Annual rent is \$114,530 with a cost of renovations not to exceed \$245,000. Rent and cost of renovation payments will be made for the school of Health and Rehabilitation Sciences Accounts.

DESCRIPTION OF THE PROJECT

Located at 2039 North Capitol Avenue in Indianapolis is a building owned by Clarian Health Partners. This is a five year lease beginning December 1, 2010 and expiring November 30, 2015. There is an option of renewal after the term of the lease. There is 10,000 GSF of building and 8,810 ASF of lease. The building will be reconfigured to create three dedicated classrooms, one multi-purpose skills laboratory, five examination rooms, and seven faculty/staff offices. Under the lease agreement, the landlord is responsible for contracting all work, which shall be in compliance with all applicable codes, at a cost to Tenant not to exceed \$245,000.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The mission of Indiana University - Purdue University Indianapolis (IUPUI) is to be "Indiana's urban research and academic health sciences campus." According to the IUPUI Academic Plan, "graduate education is critical to the campus mission, with more graduate and professional students completing their degrees at IUPUI than at any other Indiana campus." A graduate professional degree program in Physician Assistant offered by the School of Health and Rehabilitation Sciences is aligned with the research mission of the campus and the campus' goal to attract high quality faculty and graduate students.

The Physician Assistant Studies Program supports and facilitates the mission of IUPUI by providing a high quality educational experience, which prepares physician assistant graduates for leadership roles in rural and urban healthcare settings. The program will be committed to providing an environment of academic freedom in which students learn from faculty members who have expertise in the profession. Excellence in teaching will be enhanced by faculty engaged in research and creative activities as well as specialized service to the profession.

ALTERNATIVES CONSIDERED

None of the other rental properties we considered met our requirements. We selected proposed property because of its size and proximity to IUPUI and Methodist Hospital.

STAFF ANALYSIS

Indiana University, through IUPUI is requesting approved to enter into a lease for the newly created Master of Physician Assistant program at IUPUI. Due to a lack of space on the IUPUI campus and the need to have the program housed next to and partnered with a hospital, IU has opted to lease space next to Methodist Hospital.

The lease would be for 5 years, with a one time option to renew for up to 5 years and will have an annual cost of \$114,530. In addition, the annual operating cost for the lease would be approximately \$57,000, bringing the total 5 year cost to \$857,650. Also there is a remodeling component to the lease, which cannot exceed \$245,000.

Since the Master of Physician Assistant program is new it is estimated that 35 students will enroll in the program at the start and eventually ramp up to 50 as the program matures. In addition to students at the leased space, it will also include space for faculty and staff, which is estimated at seven when the program starts. The space will include office areas, classrooms, a multi-purpose skills lab and exam rooms.

Funding for the lease will come from the academic program's general fund which includes tuition paid by students enrolled in the program. IU will continually evaluate the program during its start up period to determine if the program is bringing in students and increasing enrollment. If for any reason the program is not garnering the level of enrollment projected, IU will reevaluate the program and make changes. If the program begins to expand outside of the current leased space, IU will look to leasing additional space in the same area or potentially move to the IUPUI campus if space becomes available.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-6: Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

The Trustees of Indiana University request authorization to proceed with the construction of the School of Medicine’s Neurosciences Research Building located on the IUPUI campus. This project is estimated to cost \$53,000,000 of which \$43,000,000 will be funded through academic facilities/student fee bonds. The Indiana General Assembly granted the bond issuance of \$20,000,000 in 2007 and \$23,000,000 in 2009. In addition, the university will contribute \$5,000,000 from School of Medicine Gifts and \$5,000,000 from Auxiliary Reserves to this critical project.

Supporting Document

Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus, October 8, 2010.

NEUROSCIENCES RESEARCH BUILDING AT THE INDIANA UNIVERSITY – PURDUE UNIVERSITY INDIANAPOLIS CAMPUS

Project Description and Staff Analysis

SUMMARY

This project constructs the Indiana University School of Medicine's Neurosciences Research Building located in the area of 16th street and Senate Avenue near the Methodist Hospital campus in Indianapolis, Indiana. The Neurosciences Research Building, formerly named Research Institute IV, is a continuation of the School of Medicine and Indiana University's focus on expanding and strengthening the biomedical and life sciences research capability of the university. This building provides laboratory-research space for new scientists and expansion space for existing psychiatric and neuroscience research at Indiana University (IU) to create a unique national model for collaborative, transdisciplinary patient care, research, and education for neuropsychiatric and neurological disorders is reflected in two proposed buildings fostering the critical links between superb clinical services and advanced research on disorders of the nervous system. The IU School of Medicine Neuroscience Research Building will bring together current research faculty, newly recruited investigators, and practicing clinicians in a novel organizational structure to achieve both excellence and efficiency in transdisciplinary and translational (bench to bedside and back) research. The location of the new Neurosciences Research Building near the Methodist Hospital campus will capitalize on synergies that are developing in that location. This will be the first building on the site to be jointly developed by IU and Clarian. Development of the research building will be adjacent to the proposed Clarian Neuroscience Center of Excellence Building which will house the offices and outpatient care and research activities of clinical faculty in the psychiatry, neurology, and neurosurgery departments at the IU School of Medicine. This synergy will insure that opportunities for translation of research discoveries to patient care will be both identified and fostered. The northern terminus of the Clarian People Mover connecting Methodist Hospital with the IUPUI campus is located adjacent to this site for easy access to the medical school campus and hospitals. The synergies created by this confluence of laboratory, hospital, and medical staff buildings make this an ideal location for the IU School of Medicine's Neurosciences Research Building.

DESCRIPTION OF THE PROJECT

The Neurosciences Research Building contains approximately 74,000 assignable square feet (ASF) and provides basic research space for psychiatry, neurology, neurosurgery, and basic neuroscience research at Indiana University to create a unique national model for collaborative, transdisciplinary patient care, research, and education for neuropsychiatric and neurological disorders. The two proposed buildings will foster critical links between superb clinical services and advanced research on disorders of the nervous system.

The Institute of Psychiatric Research will be a primary occupant of the building. A portion of the Stark Neuroscience Research Institute will relocate to the new building.

The interior design of the facility is intended to foster collaborative research through shared technical support and centralized analytical facilities. The building features a modular floor plan to provide flexibility in adapting to changes in programs and funding, and to maximize the performance of scientific instruments. The dedicated vivarium will serve the basic research conducted in this building.

Design flexibility is the hallmark of any new laboratory-research building. This creates the ability to adapt to changes in technology and programs, so research is not limited by the building in which it is located. This "generic" space in this facility will not be highly customized; instead, it will meet a basic set of design criteria for ventilation, power, illumination, telecommunications, distributed utilities, and architectural finishes. A modular approach, generic in layout and equipment with specialized and unique equipment located in shared-equipment areas, meets this goal of flexibility and adaptability.

Rather than assignment of research space to traditional departmental units, the school has formed interdisciplinary teams of researchers with broad expertise and a disease oriented focus. The thematic teams include investigators in addictive disorders, neurotrauma, epilepsy, neurodevelopmental disorders such as autism, Alzheimer's and other dementias, anxiety and mood disorders, and pain. Research space design will incorporate access to shared state-of-the-art facilities for biochemical to behavioral approaches optimized to provide cross-fertilization of discoveries within and between the research themes.

Each laboratory group has access to common or shared-use facilities. Facilities that are not specialized, such as equipment and environmental rooms along with gas cylinder storage areas will be distributed throughout laboratory areas. Common support spaces for expensive instrumentation are key features of the newer multidisciplinary research laboratories; thus, spreading the cost of equipment over more users. Facilities housing highly specialized equipment will be located near laboratory groups using that equipment and taking into account considerations of security, safety, equipment requirements, and research sensitivity.

Research space is planned for aiding the transition of discoveries by our researchers into licensable intellectual property for new therapies and devices for patients with severe neurological disorders. Interaction areas with marker boards and comfortable furnishings would be placed in areas where people congregate. Principal investigator and staff-office locations would provide adjacencies fostering interaction and collaboration, yet allowing good laboratory supervision and oversight. Meeting facilities for informal and regularly scheduled meetings would be equipped with network capability for the use of digital presentation technologies.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The Neurosciences Research Building, along with Research Institute, Phases I, II, and III, directly support the university and campus emphasis on research and the Life Science Initiative. Also, it supports other outside entities in research and their funding contributions to the university. The project is part of Indiana University's long-range plan to provide critically needed world-class research space at IUPUI.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

In 2003-2004, a detailed survey of Indiana University's research space was conducted by the university. The survey found an immediate need for nearly 700,000 ASF of new research space on the IUPUI campus. The long-term (ten years +) need for research space on the IUPUI campus exceeds one-million square feet. The survey established that the key-limiting factor to the development of Indiana University's research capabilities is the lack of research space; thus, creating a serious impediment to the university in recruiting research faculty, acquiring external grants, expanding successful research programs already on campus, and pursuing new collaborations and fields of research. The goal of the university is to create the needed research facilities within the next ten years to maintain its position as one of the premier research universities in the nation. It is with this critical need for research space in mind that the Neurosciences Research Building is submitted.

The Neurosciences Research Building will allow Indiana University to continue enhancing its standing as a top-tier research university by providing modern research space that would assist in attracting new world-class scientists who could obtain grants and conduct groundbreaking research. The addition of this building to the IUPUI-research community would provide critical laboratory research space for new scientists and expansion space for existing research on campus. This new facility and others like it would help the university recruit and retain more of these world-class scientists.

This new facility would provide modern and critical laboratory and research space for several key departments such as the Institute of Psychiatric Research (IPR) and the Stark Neurosciences Research Institute (SNRI). The IPR is an important part of the Indiana University School of Medicine's Department of Psychiatry. Now in its fiftieth year, the mission of the IPR is "to understand the neurobiological origins of and develop treatment for psychiatric disorders such as addictions, schizophrenia, anxiety, mood disorders, autism, Alzheimer's disease, and sleep disturbances resulting from these disorders." In addition, IPR faculty serves as mentors to PhD and MD/PhD students in the graduate program in medical neurobiology.

Neuroscience research has a long history of excellence at the Indiana University School of Medicine. With researchers from various disciplines, the SNRI focuses on applying advances in molecular, genetic, and imaging technologies to fundamental questions about brain function, dysfunction, and development.

The SNRI is home to several highly productive neuroscience-research groups including two internationally recognized research centers funded by the National Institutes of Health: (1) Alzheimer's disease and (2) alcoholism. Along with these efforts, there has been a local corporate focus on the development of drugs for neurological disorders at Eli Lilly Corporation, whose headquarters are located in Indianapolis, Indiana.

The Department of Neurology's Biomedical Research focuses on Alzheimer's disease, Jakob-Creutzfeldt disease, Pick's disease, progressive supranuclear palsy, and other neurodegenerative disorders. The Department of Neurosurgery's faculty collaborates with SNRI and conducts research associated with spinal disorders and brain and pituitary tumors. The location for the new Neurosciences Research Building near the Methodist Hospital campus will capitalize on synergies that are developing in that location. This building will be the first building planned in that area; the other will be a new Clarian-owned Medical Office Building containing offices, clinics, and programs directly associated with psychiatric patient care, research, and services. The northern terminus of the Clarian People Mover connecting Methodist Hospital with the IUPUI campus is located adjacent to this site for easy access to the medical school campus. The synergies created by this confluence of laboratory, hospital, and medical staff buildings make this a premium location for the IU School of Medicine's Neurosciences Research Building. A new parking garage is also planned as part of the complex of which approximately 300 spaces are included in this project.

ALTERNATIVES CONSIDERED

Due to space limitations and the critical need for more research space of this type on the IUPUI campus, it was determined in the early stages of this program that new construction in phases was the only option available.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project (formerly titled Research Institute IV) has been on the university's ten-year plan since 2002.

HISTORICAL SIGNIFICANCE

Indiana University does not consider any of the buildings or structures affected by this project to be significant.

STAFF ANALYSIS

Indiana University is requesting approval from the Commission to move forward with the Neurosciences Research Building for the IUPUI campus, to be located next to Methodist Hospital along 16th Street in Indianapolis. The estimated cost of the project is \$53 million, with \$43 million from state funding authorized by the 2007 and 2009 General Assembly, \$5 million from the IU School of Medicine gifts and \$5 million from Auxiliary Reserves. The estimated fee replacement associated with the \$43 million is \$3.7 million annually. For 2011, IU's estimated debt ratio is 13.3% and is projected to be 12% in 2013 based on Commission calculations.

The project has two major components, the requested Neuroscience Research Building by IU and the Clarian Neuroscience Center of Excellence building. The Neuroscience Research Building will house the Institute of Psychiatric Research that is currently housed on the Wishard site, along with various research faculty and staff located throughout IUPUI focusing on neurosciences. The IUPUI building will provide space for research faculty, students with the IU School of Medicine and staff who are working on neuroscience research. The Clarian Neuroscience Center for Excellence facility will house mostly outpatient care and research activities of clinical faculty, creating two facilities that will work together to research, study and possibly treat neurological issues.

Clarian will provide approximately \$100 million to fund their portion of this project which will include the Center for Excellence Building, Clarian's portion of the parking garage and various infrastructure improvements in the area being constructed. IU's cost of \$53 million will cover the research building, IU's portion of the parking garage and various infrastructure improvements in the construction area. Both buildings are tied together and create an investment of over \$150 million in the area of neuroscience research.

The operational cost of the new facility will be covered by vacating the current Psych Sciences Center, which will be demolished by Wishard as part of the New Wishard project. Researchers in that facility will move to the new Neurosciences Research Building and costs to operate will shift from the demolished building to the new facility, roughly \$1.3 million annually. Failure to construct a new neuroscience facility by the time demolition occurs could force researchers to look elsewhere for space or potentially move away from IU. In addition, since both projects are closely tied together in relation to research and clinical work, failure to act on this capital project could put into question Clarian's proposal to construct a neurosciences facility.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-7: Drug Discovery Facility at the Purdue University West Lafayette Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Drug Discovery Facility at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

At its meeting on August 30, 2010, the Purdue University Board of Trustees approved the project, "Drug Discovery Facility" on the Purdue University West Lafayette Campus. The proposed new facility would provide state-of-the-art chemistry research space that is safe, modular, and capable of the strict environmental control needed for ground-breaking research in biochemistry related to drug discovery. The estimated cost of this project is \$25,000,000, to be funded from Bond Proceeds (\$20,000,000) as authorized by the General Assembly in 2009 and Gifts or Facility Administrative Cost Recovery Funds (\$5,000,000).

Supporting Document

Drug Discovery Facility at the Purdue University West Lafayette Campus, October 8, 2010.

DRUG DISCOVERY FACILITY AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

This proposed new facility will provide state-of-the-art chemistry research space that is safe, modular, and capable of the strict environmental control needed for ground-breaking research in biochemistry related to drug discovery. The new facility will be part of the Life and Health Sciences Quad and will partially replace existing laboratory space in Wetherill Laboratory, an aging facility with substantial limitations, particularly control of temperature, humidity, and growth of molds. In addition, this authorization will support an animal imaging center with support space for animal housing, microscopy and tissue culture research. This will involve up to \$2,000,000 of the \$25,000,000 total project budget to support renovations of the Hansen Life Sciences Research Building.

DESCRIPTION OF THE PROJECT

The true breakthrough for drug discovery can occur only through new discovery and the understanding of the relevant chemical processes at the atomic and molecular level. Research involving novel molecules and reactions is the backbone to cures for cancer, AIDS, Alzheimer's, and other diseases that face our society. The Department of Chemistry is currently engaged in research at the forefront of several of these key areas, but is poised to make much greater advances using state-of-the-art facilities designed for 21st century chemical research that encourages interdisciplinary collaborations from researchers across the campus. As an example, Professor Phil Low's research group has developed targeted drug therapies with unparalleled power and specificity towards cancer cells and a range of inflammatory diseases. Based on the intellectual property from his group, Endocyte (based in Purdue Research Park) currently has several drug candidates with exceptional promise in clinical trials. The facility will be part of the Life and Health Sciences Quad.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This project will be the second facility in the development of Purdue's Life and Health Science Quad and will establish the architectural and academic framework for future facilities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

N/A

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is consistent with the Campus Master plan.

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Purdue University is requesting approval of a capital project to construct the new Drug Discovery Facility on the West Lafayette Campus. The cost of the facility is estimated at \$25 million and will be funded with \$5 million to come from gifts or indirect cost recovery revenues and \$20 million in bonds that will be paid for through indirect cost recovery revenues to the University. Annual operating costs for the new facility will be approximately \$251,000 and will be funded through the University's general fund.

The 36,400 GSF structure will be housed in the University's new Life and Health Sciences Quad and will house chemistry research space which will replace existing research space on campus. Current space being utilized will be vacated; however, the space may be reallocated by the University for other academic purposes, thus no additional operational savings will be realized from this new project.

Drug Discovery will house valued researchers that are part of Purdue's ongoing effort to expand research projects and opportunities for the university. Dr. Phil Low's research, which was presented to the Commission during its visit to Purdue in September of 2010, will be included as part of the overall drug research being conducted in the new facility. This new facility will allow Dr. Low to expand his laboratory from a 5,000 square foot area to a larger facility with a focus on drug related research.

As noted above, a majority of the funding for this project will come from indirect cost recovery revenues provided to Purdue. Purdue intends to use these indirect cost recovery funds to pay the debt service associated with this facility. Staff notes that Purdue understands that if indirect cost recovery funds decrease and are unable to cover the cost of the building, Purdue will need to identify alternative funding sources to cover the cost of the building. This project is Purdue's number one capital priority of those capital projects with non-fee replacement.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-8: Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

At its meeting on May 28, 2010, the Purdue University Board of Trustees approved the project, "Health and Human Sciences Research Facility" on the Purdue University West Lafayette Campus." A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine – Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. The estimated cost of this total project is \$54,000,000, to be funded from combined Bond Proceeds (\$38,000,000) from the 2009 General Assembly and Gift Funds (\$16,000,000).

Supporting Document

Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus, October 8, 2010.

HEALTH AND HUMAN SCIENCES RESEARCH FACILITY AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine - Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. Further, it will be designed to preserve the image and culture associated with existing academic units while expanding opportunities for cross-disciplinary learning and engagement. A parking garage to accommodate approximately 850 vehicles is included in the scope of this project. The facility will be part of the Life and Health Sciences Quad.

DESCRIPTION OF THE PROJECT

The building will bring together multiple clinical training facilities into a new Purdue Clinics facility, including the Speech-Language and Hearing Clinics, Psychology, Nursing, Foods and Nutrition, Health and Kinesiology and the IUSM-L Objective Structured Clinical Exam facilities. As health care continues to progress toward interdisciplinary medicine, this facility will provide a forward-thinking venue for inter-professional learning and clinical education. A parking garage to accommodate approximately 850 vehicles is included within the scope of this project to enhance the success of the Purdue Clinics and their accessibility to the Purdue and the Greater Lafayette communities, as well as to provide needed parking for the Purdue campus.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This facility is a vanguard opportunity to advance the mission of the new College of Health and Human Sciences at Purdue University – a unique blend of academic disciplines promoting discovery, learning, and engagement scholarship that addresses matters affecting the health, behavior and quality of life of people. It will create a dynamic institutional environment responsive to evolving aspirations and opportunities in health and human sciences; attract and retain the highest caliber researchers, educators and clinical staff; develop and deliver educational programs that attract and prepare students for professions in health and human sciences; and in many other ways support the missions and visions of the new College of Health and Human Sciences, the Speech, Language, and Hearing Sciences Department and the IU School of Medicine-Lafayette.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The facility will provide the Department of Speech, Language, and Hearing Sciences a venue to fulfill their mission with regard to the study of human communication sciences and disorders, from basic clinical science to the delivery of clinical services and community engagement. This 75 year old program has excelled, despite its challenging location in the basement of Heavilon Hall on the Purdue campus. The facility will support the mission of the IU School of Medicine-Lafayette to advance the health of the people of the State of Indiana and beyond by promoting innovation and excellence in education, research,

and service to the community. Half of the students admitted to IUSM are assigned to one of eight regional IUSM centers for the first two years of school. IUSM-L is one of these centers, and has succeeded despite being located for 35 years in the basement of Lynn Hall on the Purdue campus. The facility will provide unique interdisciplinary clinical training and partnering opportunities for the participating Purdue Clinics; translating didactic and research knowledge into the delivery of clinical services and community engagement through service learning in multiple clinical degree programs.

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is consistent with Purdue's Master Plan.

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Purdue University is requesting approval to construct a new Health and Human Sciences Research Facility in the new Life and Health Sciences Quad on the West Lafayette Campus. The project will combine various departments into one facility, which is estimated to cost \$54 million. The project cost is broken down into the following funding sources: \$16 million in gifts/donations, \$16 million in parking revenue bonds, \$16 million in fee replacement bonds and \$6 million in indirect cost recovery funds. In total, the state will cover approximately 30% of the cost of this new structure and 70% will come from other funding sources.

The new facility will house the Speech Language and Hearing Services program, the Clinical Facilities program and the Medical Education program (IU School of Medicine – Lafayette). These programs will vacate space on campus and will be moved into the new facility; however, vacated space will be used for other purposes campus wide and will not generate operational savings to Purdue. The cost to operate the new facility will be approximately \$435,000 annually and will be paid for through Purdue's general fund.

The Health and Human Sciences facility is the number one priority for capital projects that have fee replacement associated with the project. The project is a major part of the evolving Life and Health Sciences Quad that will include the Drug Discovery Lab, the Agriculture & Biological Engineering Facility and the Central Machine Shop Facility. By combine the abovementioned programs into one facility, Purdue will be able to co-locate the programs related to the College of Health and Human Sciences into one main facility versus throughout campus in different buildings.

Financially, Purdue has secured the \$16 million of gift money and will use parking revenue to fund the \$16 million parking garage that will support the new facility's staff, patients and faculty. Of the \$6 million that will funded through indirect cost recovery, Purdue University notes that adequate funding is available through this allocation program to cover a portion of the cost of this facility and understands that if indirect cost funds were to decrease, other funding options would need to be identified. For 2011 Purdue's overall debt ratio is estimated at 9.9% and is projected to be 12% by 2012 based on Commission calculations.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-9: Capital Projects for Which Staff Proposes Expedited Action

Staff Recommendation

That the Commission for Higher Education approve by consent the following capital project(s), in accordance with the background information provided in this agenda item:

- Math Sciences Research Data Center Renovation at Purdue University: \$2,949,000
- Agricultural and Biological Engineering and Central Machine Shop Facility at Purdue University: \$4,300,000
- Riley Hospital – Wells Research Center for a Pediatric Phenotyping Core Renovation: \$8,500,000
- Qualified Energy Savings Project – Increase in Scope: \$8,000,000
- General R&R – FY10: \$989,032

Background

Staff recommends the following capital projects be recommended for approval in accordance with the expedited action category originated by the Commission for Higher Education in May 2006. Institutional staff will be available to answer questions about these projects, but the staff does not envision formal presentations. If there are questions or issues requiring research or further discussion, the item could be deferred until a future Commission meeting.

Supporting Document

Background Information on Capital Projects on Which Staff Propose Expedited Action, October 8, 2010

Background Information on Capital Projects on Which Staff Propose Expedited Action

October 8, 2010

B-1-10-6-17 Math Sciences Research Data Center Renovation
Project cost: \$2,949,000

The Purdue University Board of Trustees approved this project on the Purdue University West Lafayette Campus. This project seeks to address the impact of the growth of cyber infrastructure by renovating the research data center located in the Mathematical Sciences Building. This project aims to improve the reliability of the research data center and increase the electrical and cooling capacity to support the addition of two more research computing clusters scheduled for 2012 and 2013. The estimated cost of this project is \$2,949,000, to be funded from the “Energizing Research through Cyberinfrastructure – Renovation of the Research Data Center” grant (\$2,000,000) and Departmental Funds (\$949,000).

B-11-1-08 Agricultural and Biological Engineering and Central Machine Shop Facility
Project cost: \$4,300,000

The Purdue University Board of Trustees approved this project on the Purdue University West Lafayette Campus. This project will construct a new facility to replace the ABE storage building and to house shop and high bay space for both Agricultural and Biological Engineering and the Central Machine Shop. The ABE space will provide teaching labs with adjacent classroom space. The CMS space will house precision machining and fabrication services to support research in numerous departments in the Colleges of Agriculture, Engineering, Science, Veterinary Medicine and Technology. The estimated cost of this project is \$4,300,000, to be funded from Departmental Funds (\$1,850,000), Gift Funds (\$1,950,000), and INDOT Right-of-way acquisition Funds (\$495,000).

A-2-11-2-03 Riley Hospital – Wells Research Center for a Pediatric Phenotyping Core Renovation
Project Cost: \$8,500,000

The Trustees of Indiana University request authorization to proceed with the renovation of a former research floor of Riley Hospital and transform it into a state-of-the-art facility for conducting pediatric clinical research on the IUPUI campus. This 18,560 square foot center will house laboratory space, lab support space, exam rooms, bio-storage, administrative offices, other research-related space, and high-tech video conferencing facilities/laboratories. Replacement of two existing traction elevators, mechanical, electrical, and plumbing is included. The project is estimated to cost \$8,500,000 and will be funded by a grant from the National Institutes of Health.

A-8-08-6-15 Qualified Energy Savings Project – Increase in Scope
Project Cost: 8,000,000

The Trustees of Indiana University request authorization to initiate a Qualified Energy Savings Project on the South Bend campus. The project originally received approval in December 2008 in the amount of \$3,300,000. For this project, and because of the amount of potential energy savings available at the IUSB campus, approval is requested for an additional \$4,700,000. With this increase, the total estimated cost will be \$8,000,000 and will be funded through the borrowing authority for qualified energy savings projects for academic facilities. The primary objective of the QESP is to reduce utility and maintenance costs by upgrading and/or replacing select electrical and mechanical systems in the buildings. The secondary objective includes reducing maintenance costs of those systems as well as decreasing water/sewer expenses.

G-0-10-2-01 General R&R – FY10
Project Cost: \$989,032

The University of Southern Indiana Board of Trustees approved a request to proceed with the Phase IV renovation of the Science Center. The R&R funds were appropriated by the 2009 General Assembly as part of the 2009-2011 biennial budget and were part of the 2009 American Recovery and Reinvestment Act (ARRA) appropriation allocated by the U.S. Department of Education to Indiana's State Fiscal Stabilization Fund. The total cost of the project was \$989,032. The FY10 General R&R appropriation of \$677,334 was spent on one project, the Phase IV renovation of selected classrooms, laboratories, and faculty offices in the 1969 Science Center. The balance of the cost of the project, \$311,698, was paid by the University through the Special Projects Fund.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM C:

Policy on Approving New Degree Programs for Ivy Tech Community College

Staff Recommendation

That the Commission for Higher Education adopt the *Policy on Approving New Degree Programs for Ivy Tech Community College*, September 30, 2010.

Background

This change in policy is proposed to streamline and make more efficient – for both the College and the Commission – the approval of new sites for existing Ivy Tech degree programs. A net result of this change will be to give the College more flexibility, so it can respond quickly to workforce demands. Another consequence will be to re-direct College and Commission attention, through an annual report made by the College, to larger questions related to statewide and local workforce needs – as reflected in emerging employment, licensure, and certification trends – and how the College is responding to these trends, as exhibited in program enrollments and degrees conferred. The annual report should provide a more strategic, statewide consideration of these questions than is currently possible.

If approved by the Commission, the policy would go into effect immediately.

Supporting Document

Policy on Approving New Degree Programs for Ivy Tech Community College, September 30, 2010

Policy on Approving New Degree Programs for Ivy Tech Community College

September 30, 2010

1. Degree programs that are proposed for new academic fields, which have never been offered previously by the College, will still need to go through the normal approval process for new academic degree programs, which includes the submission of a full new degree program proposal by the College, placement of a decision item on the Commission for Higher Education's meeting agenda by the staff, and action by the Commission.
2. Once a new program has been authorized by the Commission for an initial location or set of locations, the College may simply request authorization to offer that same degree program at other locations, which the Commission may approve through routine staff action.
3. Delivery of academic degree programs statewide through distance education technology will still need to go through the Commission's normal approval process for distance education programs.
4. The addition of an Associate of Science degree to an existing Associate of Applied Science degree, and vice versa, may be approved through routine staff action.
5. Associate of Science programs may be offered anywhere in the state, irrespective of whether or not there is a local articulation available for a related baccalaureate degree program.
6. As with any change affecting an academic degree program that is requested through routine staff action, the College may need to submit additional information before the action is taken.
7. Each year, Ivy Tech will make a report to the Commission on its statewide and regional program plans. The report will include:
 - a. Workforce data from relevant sources, e.g. Department of Workforce Development;
 - b. Program plans for the year (recognizing that the College could always bring programs that were not included in the plans, if circumstances warrant it);
 - c. Demand for graduates for both existing and new programs;
 - d. Program enrollment and degree trends; and
 - e. A summary of articulation agreements that are in place, as well as gaps where articulation agreements are needed.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

INFORMATION ITEM A: Status of Active Requests for New Academic Degree Programs

<u>Institution and Site</u>	<u>Program Title</u>	<u>Date Received</u>	<u>Status</u>
1. BSU	B.A./B.S. in Construction Management	12/23/09	Under CHE review.
2. BSU-Statewide via Dist. Ed. Tech.	M.A. in Business Education	04/29/10	On October agenda for action.
3. Purdue-Calumet Statewide via Dist. Ed. Tech.	M.S. in Education	06/01/10	On October agenda for action.
4. IU-Bloomington	B.A. in Fashion Design	06/30/10	Under CHE review.
5. IU-Indianapolis	Ph.D. in Urban Education	06/30/10	Under CHE review.
6. IU-East	M.S. in Management	06/30/10	Under CHE review.
7. IU-Northwest	Bachelor of Social Work	06/30/10	On October agenda for action.
8. IU-East @ Madison	B.S. in Business Administration	06/30/10	On October agenda for action.
9. IU-East @ New Castle	B.S. in Criminal Justice	06/30/10	On October agenda for action.
10. IU-East – Statewide via Dist. Ed. Tech.	B.S. in Criminal Justice	06/30/10	Awaiting additional information from IU.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

INFORMATION ITEM B: Capital Improvement Projects on Which Staff Have Acted

In accordance with existing legislation, the Commission is expected to review and make a recommendation to the State Budget Committee for:

- (1) each project to construct buildings or facilities that has a cost greater than \$500,000;
- (2) each project to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds \$250,000;
- (3) each project to lease, other than lease-purchase, a building or facility, if the annual cost exceeds \$150,000; and
- (4) each repair and rehabilitation project if the cost of the project exceeds (a) \$750,000, if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students, and (b) \$1,000,000 if no part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students.

Projects of several types generally are acted upon by the staff and forwarded to the Director of the State Budget Agency with a recommendation of approval; these projects include most allotments of appropriated General Repair and Rehabilitation funds, most projects conducted with non-State funding, most leases, and requests for project cost increase. The Commission is informed of such actions at its next regular meeting. During the previous month, the following projects were recommended by the Commission staff for approval by the State Budget Committee.

I. REPAIR AND REHABILITATION

*D-1-11-2-03 Ball State University
Restoration of 2009-10 R&R Funding
Project cost: \$3,356,442*

Ball State University requests authority to proceed with several R&R projects, none of which exceeds \$750,000. The funding of these projects comes from ARRA funds being restored totaling \$3,356,442, all of which would be for the 2009-10 fiscal year. This is the first draw of ARRA funds for BSU and represents 92% of the ARRA funds appropriate to BSU.

II. NEW CONSTRUCTION

None.

III. LEASES

None.

IV. LAND ACQUISITION

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

INFORMATION ITEM C: Capital Improvement Projects Awaiting Action

Staff is currently reviewing the following capital projects. Relevant comments from the Commission or others will be helpful in completing this review. Three forms of action may be taken.

- (1) Staff Action. Staff action may be taken on the following types of projects: most projects funded from General Repair and Rehabilitation funding, most lease agreements, most projects which have been reviewed previously by the Commission, and many projects funded from non-State sources.
- (2) Expedited Action. A project may be placed on the Commission Agenda for review in an abbreviated form. No presentation of the project is made by the requesting institution or Commission staff. If no issues are presented on the project at the meeting, the project is recommended. If there are questions about the project, the project may be removed from the agenda and placed on a future agenda for future action.
- (3) Commission Action. The Commission will review new capital requests for construction and major renovation, for lease-purchase arrangements, and for other projects which either departs from previous discussions or which pose significant state policy issues.

I. NEW CONSTRUCTION

B-1-08-1-02 Purdue University
Animal Disease Diagnostic Laboratory BSL-3 Facility
Project Cost: \$30,000,000

Purdue University seeks authorization to proceed with the construction of the Animal Disease Diagnostic Laboratory BSL-3 Facility on the West Lafayette campus. The expected cost of the project is \$30,000,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

F-0-08-1-03 Ivy Tech Community College of Indiana
Bloomington New Construction A&E
Project Cost: \$350,000

Ivy Tech Community College of Indiana seeks authorization to proceed with the expenditure of Architectural and Engineering (A&E) planning funds for a New Construction project at the ITCCI Bloomington campus. The expected cost of the project is \$350,000 and would be funded from 2007 General Assembly cash appropriation. This project is awaiting a letter from the Budget Agency requesting review.

E-1-07-1-01

Vincennes University
Advanced Manufacturing and Training Center in Jasper
Project cost: \$8,850,000

Vincennes University seeks authority to proceed with the construction of an Advanced Manufacturing and Training Center in Jasper. The total project cost is expected to be \$8,850,000. The 2007 Indiana General Assembly authorized \$8,000,000 in fee replaced bonding authority for this project. VU will raise the other \$850,000. This project is awaiting a letter from the Budget Agency requesting review.

B-2-09-1-10

Purdue University Calumet Campus
Gyte Annex Demolition and Science Addition (Emerging Technology Bldg)
Project Cost: \$2,400,000

The Trustees of Purdue University seek authorization to proceed with planning of the project Gyte Annex Demolition and Science Addition (Emerging Technology Bldg) on the Calumet campus. The expected cost of the planning of the project is \$2,400,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

B-4-09-1-21

Purdue University North Central
Student Services and Activities Complex A&E
Project Cost: \$1,000,000

The Trustees of Purdue University seek authorization to proceed with planning of the project Student Services and Activities Complex. The expected cost of the planning of the project is \$1,000,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

A-9-09-1-12

Indiana University Southeast
New Construction of Education and Technology Building
Project Cost: \$22,000,000

The Trustees of Indiana University request authority to proceed with the new construction of the Education and technology Building on the Indiana University Southeast campus. The new building would be a 90,500 GSF facility and provide expanded space for the IU School of Education and Purdue University College of Technology. The project would be funded through state fee replacement appropriations. This project is awaiting a letter from the Budget Agency requesting review.

B-1-11-2-12 Purdue University West Lafayette
 Krannert Building Management & Economics Library Remodel Phase III
 Project Cost: \$2,500,000

The Board of Trustees at Purdue University approved this project on the West Lafayette campus. This project will complete the Krannert Building second floor renovation. Through this renovation the Management and Economics Library becomes a contemporary Business Information Center. This project would be funded through gift funds.

II. REPAIR AND REHABILITATION

None.

III. LEASES

None.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

INFORMATION ITEM D: Minutes of the September 2010 Commission Working Sessions

MINUTES OF THE COMMISSION WORKING SESSIONS

Thursday, September 9, 2010

I. CALL TO ORDER

The Commission for Higher Education met in working session starting at 7:30 p.m. (ET) at Purdue University-West Lafayette, Indiana. Commission members in attendance were Cynthia Baker, Jerry Bepko, Dennis Bland, Marilyn Moran-Townsend, Ken Sendelweck, Keith Hansen, Carol D'Amico, Jud Fisher, Susanna Duarte de Suarez, and Michael Smith.

Absent were: Jon Costas, Chris Murphy, Eileen Odum and George Rehnquist

Staff present was Jason Bearce, Jon Gubera, Jason Dudich, Teresa Lubbers, Ken Sauer, Catisha Coats and Jennifer Seabaugh.

Also present were: Scott Jenkins (Governor's office), Dan Clark (Education Roundtable), William Bogard (State Budget Agency), Don Doucette (Ivy Tech), John Grew (IU), Tim Sanders (PU), Phil Rath (VU), Phil Satchelben (BSU), Nancy Bulger (PU), and Pam Horne (PU).

II. DISCUSSION

- A. Chair Michael Smith called the meeting to order at 7:30 p.m.
- B. Dan Clark, Executive Director of the Education Roundtable, presented the scope of work in the proposed memorandum of understanding of the Education Roundtable for the current fiscal year. There were a number of questions concerning the work of the PARCC group and the Common Assessment that would be forthcoming. Staff answered the questions and informed the members that more information would be made available when the scope and sequence of that work was finalized.
- C. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, presented the Ivy Tech request to modify the Commission's process for approving new sites for degree programs. He listed the proposal along with the staff's proposed addition and finished with the benefits to adopting the new approach. Don Doucette, Provost at Ivy Tech, presented the case from their perspective on implementing the new approach. He wants the Commission to think of Ivy Tech as a single institution with multiple locations. Ken Sauer mentioned that staff would continue the discussion and eventually bring this topic forward as a decision item to the Commission.

D. Jason Dudich, Associate Commissioner and Chief Financial Officer, presented a high level summary of the 2011-13 budget submissions of the seven public institutions. Mike Smith questioned the value of the current process for budget submissions, wondering if the staff could develop a new protocol in the future that would more accurately reflect each institution's request. Staff agreed to examine it further and work on a possible new protocol for the next biennium.

III. ADJOURNMENT

The Chair adjourned the meeting at 9:00 p.m. (ET).

MINUTES OF THE COMMISSION WORKING SESSIONS

Friday, September 10, 2010

IV. CALL TO ORDER

The Commission for Higher Education met in working session starting at 7:45 a.m. (ET) at Purdue University-West Lafayette, Indiana. Commission members in attendance were Cynthia Baker, Jerry Bepko, Dennis Bland, Marilyn Moran-Townsend, Ken Sendelweck, Keith Hansen, Carol D'Amico, Jud Fisher, Susanna Duarte de Suarez, Chris Murphy and Michael Smith.

Absent were: Jon Costas, Eileen Odum and George Rehnquist

Staff present was Jason Bearce, Jon Gubera, Jason Dudich, Teresa Lubbers, Ken Sauer, Catisha Coats and Jennifer Seabaugh.

Also present were: Derek Redelman (Chamber of Commerce), Scott Jenkins (Governor's office), William Bogard (State Budget Agency), Don Doucette (Ivy Tech), John Grew (IU), Tim Sanders (PU), Phil Rath (VU), Phil Satchleben (BSU), Nancy Bulger (PU), Barbara Bickelmeyer (IU), and Pam Horne (PU).

V. DISCUSSION

- A. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, presented the 2010-11 Indiana Action Plan for Transfer and Articulation. He discussed filling in the gaps in the Core Transfer Library, creating a common general education core, creating single articulation pathways, creating a common course numbering system and having an ombudsperson at each campus. Members asked about when the plan would begin. Dr. Sauer said it is a process that involves a great deal of collaboration among all of the schools. Dennis Bland expressed concern for public messaging of any new articulations to students, and suggested that Learn More Indiana head this charge. Chris Murphy suggested accelerating this process because it will help students but cautioned against compromising any quality when moving towards this model.
- B. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, presented on the topic of collecting data from the Independent Colleges of Indiana. There are 18 states that already collect private school data, all of which have coordinating boards for higher education like Indiana. ICI wants to know what legal rights ICHE has to ask for this data. Commission members expressed their belief that this data will be very helpful in reporting back to high schools how Indiana students perform at Indiana private institutions.
- C. Jason Dudich, Associate Commissioner and Chief Financial Officer, presented on Purdue-West Lafayette's Northwest Athletics Complex Phase 1 budget proposal. The \$21 million cost will be funded with \$10million in private gifts and \$11million in Big Ten Network Television shared revenue. Mike Smith expressed concern about how the

project would be funded immediately and in the long run since half of the financing comes from a guaranteed contract with Fox Sports over 20 years. If Fox Sports is not able to deliver on its promise then Purdue would have to find alternate financing, one of which could be a request of state funds.

- D. Jason Bearce, Associate Commissioner for Strategic Communications and Initiatives, discussed Learn More Indiana's strategy for public will building. The Lumina Foundation has helped sponsor two documentary films that discuss the concept of college access and success. The hope is the film will be made available to ICHE for distribution around the state and to host film events. Susanna Duarte de Suarez suggested that to properly engage the intended audience –students- that Learn More should use YouTube, Facebook, and other appropriate mediums to message about the movies and to show short clips.

VI. ADJOURNMENT

The Chair adjourned the meeting at 8:58 a.m. (ET).