

**MINUTES OF THE SPECIAL MEETING TELECONFERENCE  
OF THE STATE BOARD OF TRUSTEES  
INDIANAPOLIS, INDIANA  
JULY 14, 2006**

Vice Chairman Jesse R. Brand called the July 14, 2006, special meeting teleconference of the State Board of Trustees to order at 11:30 a.m.

**A. ROLL CALL:**

Assistant Secretary William F. Morris called the roll and the presence of a quorum was announced. The following State Trustees were present:

**Mr. Jesse R. Brand, Vice Chair**  
**Mr. Marvin E. Foote, Secretary**  
**Mr. Joseph T. Bumbleburg**  
**Ms. Leigh Duckwall**  
**Mr. John P. Griffin**  
**Mr. Lee J. Marchant**  
**Mr. Mark J. Neff**  
**Mr. Norman E. "Ned" Pfau, Jr.**  
**Ms. Martie Rivas-Ramos**  
**Mr. V. Bruce Walkup**  
**Ms. Linda White**  
**Ms. Kaye Whitehead**

Trustees unable to attend the meeting:

**Mr. William R. Goins, Chair**  
**Mr. Lawrence R. Foster, Jr.**

**B. NOTICES OF MEETINGS MAILED AND POSTED:**

Secretary Marvin E. Foote confirmed that notices of the July 14, 2006, special meeting were properly mailed and posted.

Vice Chairman Brand announced that approval of the June 15, 2006, regular meeting minutes, the report of the President, and the report of Board committees would be deferred until the regular meeting on August 10, 2006.

**C. COMMITTEE REPORTS:**

**Item 1** Vice Chairman Brand called upon Trustee Norman E. Pfau, Jr. for a report on behalf of the Budget and Finance Committee. Trustee Pfau said that the trustees should have in front of them a copy of Resolution Number 2006-43,

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and he asked Bob Holmes, Vice President for Finance and Treasurer, to provide a brief overview of the documents that were distributed. Vice President Holmes explained that for the past few weeks, Ivy Tech Community College has been preparing the College's 2007-09 biennial operating budget request. The original instructions came in on March 10 and were issued jointly by the State Budget Director and the Commissioner for Higher Education. Ivy Tech is required to submit the preliminary budget figures electronically today, with the final bound budget request document due on August 1. This project was a team effort as staff from finance, academic affairs, human resources, institutional research, and financial aid all had a part in putting this overall document together. The chancellors have had the opportunity to provide input as well, and on behalf of the administrative staff, Vice President Holmes said he was pleased to present this biennial budget request to the trustees. He explained that, according to the submission guidelines, the state only wants to look at state appropriations and student fees. They will not take into account federal research grants, auxiliary enterprises like bookstores or hospitals, athletic department fees for those institutions that have intercollegiate athletics; the submissions are limited to state appropriations and student fees. Ivy Tech's budget starting point is \$260 million, and roughly \$145 to \$150 comes to the College from the state with the remainder coming from student fees. The College is requesting, as are all Indiana higher education institutions, a three percent increase in inflation. Each of the institutions met with budget agency representatives and higher education commission representatives and agreed that this is a reasonable request; however, that does not mean that we will get it. The state has a formula for funding enrollment growth or for taking funding away if enrollment is lost. With that formula, Ivy Tech has earned roughly \$12.5 million for enrollment growth, and we are asking for that in this budget. During the biennial budget we are now in, 2005-07, the state funded 90 percent of the enrollment change which shorted us by about \$3 million, but it was all they could afford at the time. We are requesting that \$3 million in this 2007-09 budget. Another adjustment category is the plant expansion adjustment to cover new leases as well as operating costs for new facilities that are under construction, which totals about \$1.5 million for 2007-08. The quality improvement area is another area within the budget that the state allows each university or college to request improvements. Ivy Tech is requesting a total of \$5 million, which Dr. Marnia Kennon will explain later. Adding all of these requests together, the total budget request is about \$290 million, which is a \$30 million increase from our starting point. That equals an 11.5 percent increase on the expenditure side. However, because we are only asking for a three percent increase in student fees, the request for state appropriations is larger than the 11.5 percent expenditure increase. The final student fees decision will be made next spring after the General Assembly has acted, but our biennial budget estimate historically has followed the inflation estimate, which is three percent for this biennia. The \$290 million would

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become our starting point for 2008-09. Again, we requested three percent inflation, which amounts to \$8 million. The enrollment change funding is requested in the first year of the biennium; it would continue in the second year, but would not be an additional increase. We are asking for about \$1.1 million more for plant expansion for new leases and the operating costs of the new facilities that are coming online, and an additional \$5 million of quality improvement, for a grand total of \$304 million. The increase in the second year is \$14 million. Vice President Holmes also explained that colleges and universities have what are called “line item budget requests” which are projects of special legislative interests with a purpose broader than a simple university setting. About five years ago, Ivy Tech had its first one—the workforce certification initiative. Last year, the legislature transferred money for the Valparaiso nursing partnership that had previously been in Purdue Northcentral’s budget to Ivy Tech when Purdue Northcentral got out of the associate degree nursing business. The Fort Wayne public safety building lease of \$1 million is simply a pass through amount that was part of our capital appropriation last time. The legislature made Ivy Tech the preliminary recipient, then it is passed on to the city of Fort Wayne for the development of the new public safety building that we are leasing space in. The Fast Track to College request is in response to a bill that was adopted last year by the General Assembly to try to improve K-12 education. Reviewing the quality improvement items in the budget, Dr. Kennon said the first item is to provide 100 new full-time faculty for new and expanding programs during the biennium. We currently have 943 faculty, so this would put us near 1,100 faculty, which is still not a lot of full-time faculty for an institution that enrolls over 100,000 students a year. This will allow us to expand programs, typically health programs, that cannot grow now because of lack of faculty; and to implement new programs for education programs, pre-engineering, and engineering technology, which are all high demand programs within the state. The second quality improvement item we are requesting is to provide 70 additional full-time faculty in our remedial and developmental programs. We serve a number of under-prepared students who come to the college; that is the nature of a community college and open admissions college. We also recognize that there are problems with literacy levels in the workforce, so we need more full-time faculty to provide leadership in curriculum development and instruction at the campuses and also to be able to take what we are doing in workforce literacy out into the workplace. Those items total \$5 million a year. The last item for the Board’s attention is a line item appropriation to support the Fast Track to College and Double Up for College. This is a new responsibility that has specifically been given to Ivy Tech by the legislature to help the state deal with the problems that we and other states are experiencing with people not completing high school. Using our existing courses, we are able to award high school diplomas to students who come to Ivy Tech, but we think the dropout problem is beyond what our existing courses can provide. We are asking for a significant amount of money to provide a new type of

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service for this new mission for the College that would allow us to reach out to students who are truly in danger of not completing high school. Fourteen million dollars in the second year of the biennium would be earmarked for the new services, thereby ensuring that no money would be taken away from the services we are providing to our current students. Vice President Holmes said that the deadline to electronically submit the summary of the budget to the state is this afternoon, and we are to submit the actual bound biennial budget no later than July 31. On October 13, we make a presentation to the Commission for Higher Education about the biennial budget, both operating and capital. Some time after that, probably in November, we will make a similar presentation to the state budget committee. The General Assembly will start in early January; we will make a presentation to Ways and Means probably in February; Ways and Means will take action at the end of February, and the House will take their action in March; then it goes to the Senate, and will probably go to conference committee in early to mid April with hopes that an agreement is made prior to April 30, 2007. The new budget would take effect on July 1, 2007. Vice President Holmes said that updates would be provided to the trustees during the process. Trustee Pfau moved for approval of **Resolution Number 2006-43, Ratification of the Biennial Legislative Budget Request for Operating Funds Submitted to the Indiana General Assembly.** Trustee Foote seconded the motion, and the motion carried unanimously.

Vice President Holmes thanked the trustees on behalf of all of the staff who worked on this project for their support.

**D. OLD BUSINESS:**

Vice Chairman Brand called for old business.

- Trustee Walkup suggested that Vice President Holmes provide a brief overview of the budget for the newly appointed trustees. President Lamkin said he planned on having more meetings with the four new trustees in August about this and other topics.
- Referring to the 2005-06 State Board Committee Assignments that were recently distributed on behalf of Chairman Goins, Trustee Neff asked if he was in fact to serve on two Board committees. President Lamkin said that was affirmative.

**E. NEW BUSINESS:**

Vice Chairman Brand called for new business, and there was none.

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**F. ADJOURNMENT:**

There being no further business to come before the Board, Vice Chairman Brand called for a motion to adjourn the meeting. Trustee Bumbleburg made the motion to adjourn, and Trustee Foote seconded the motion. The motion carried unanimously.

**STATE TRUSTEES  
IVY TECH COMMUNITY COLLEGE**

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**Jesse R. Brand, Vice Chair**

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**Marvin E. Foote, Secretary**

**Dated July 14, 2006**

**Prepared by Tina S. Phelps, Recording Secretary**