

**MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
BLOOMINGTON, INDIANA
DECEMBER 11, 2008**

Chairman Kaye H. Whitehead called the December 11, 2008, regular meeting of the State Board of Trustees to order at 9:00 a.m. in Lamkin Hall at the Ivy Tech Community College – Bloomington Campus, 200 Daniels Way, Bloomington, Indiana.

A. ROLL CALL:

Secretary Anne K. Shane called the roll and the presence of a quorum was announced. The following State Trustees were present:

Ms. Kaye H. Whitehead, Chair
Mr. Lee J. Marchant, Vice Chair
Mrs. Anne K. Shane, Secretary
Ms. Linda Buskirk
Ms. Leigh A. Duckwall
Mr. David M. Findlay
Ms. Lillian Sue Livers
Mr. Robert L. McCreary
Mr. Anthony J. Moravec
Mr. Norman E. “Ned” Pfau, Jr.
Ms. Martha E. Rivas-Ramos
Mr. Steve Schreckengast
Mr. V. Bruce Walkup
Ms. Linda E. White

B. NOTICES OF MEETINGS MAILED AND POSTED:

Secretary Anne K. Shane confirmed that notices of the December 11, 2008, regular meeting were properly mailed and posted.

C. APPROVAL OF BOARD MINUTES:

Chairman Kaye H. Whitehead directed the trustees’ attention to the minutes of the October 9, 2008, regular board meeting. Trustee Linda E. White made the motion to approve the minutes of the October 9, 2008, regular meeting as submitted. Trustee V. Bruce Walkup seconded the motion, and the motion was carried unanimously.

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D. COMMITTEE REPORTS:

- Item 1** Reporting on behalf of the Executive Committee, Chairman Whitehead announced that she had received thank you notes from two people who addressed the Board at the October Board meeting. The first note was from Caleb Unger, a high school student in Ivy Tech's Fast Track program who received a scholarship at the last Board meeting to assist with his future educational endeavors at Ivy Tech. The second note was from the Distinguished Alumnus of the Year, Ms. Kerri Cokely. Chairman Whitehead said that these were thoughtful gestures and she appreciated the notes.

Chairman Whitehead continued that the Executive Committee is well aware of the challenges and opportunities that the College is facing, and they are in the process of obtaining information to address those challenges/opportunities. She said she is optimistic that everyone will continue working together to make good decisions for the College, to promote the College, and address each situation. She looks forward to working with the trustees and staff in 2009.

- Item 2** Chairman Whitehead called upon Trustee Norman E. Pfau, Jr. for the **Budget and Finance Committee Report**. Trustee Pfau reminded the trustees of the detailed discussions of the following resolution during the committee meeting the previous morning and moved for the approval of:

Resolution Number 2008-49, Approval of Accounts Receivable Write-offs for the Fiscal Year Ending June 30, 2008

Trustee Robert L. McCreary seconded the motion to approve **Resolution Number 2008-49**, and the motion carried unanimously.

Trustee Pfau also reported that the committee discussed the budget for the next biennium which begins in 2009, the College's investment policy, and the financial report for the fiscal year that ended June 30, 2008.

- Item 3** Chairman Whitehead called on Trustee Linda Buskirk for the **Planning and Education Committee Report**. Trustee Buskirk reminded the trustees of the detailed discussions of the following resolution during the committee meeting the previous afternoon and moved for the approval of:

Resolution Number 2008-50, Approval of New Programs

Trustee Lillian Sue Livers seconded the motion to approve **Resolution Number 2008-50**, and the motion carried unanimously.

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Trustee Buskirk reported that the Board met for four hours yesterday to engage in strategic discussions and she thanked everyone for participating. She said there was great interaction between the administration, chancellors, and trustees when talking about the strategic issues facing the College and helping begin the efforts of strategic plan renewal.

- Item 4** Chairman Whitehead called on Trustee V. Bruce Walkup to give the **Buildings, Grounds, and Capital Committee Report**. Trustee Walkup reminded the trustees of the detailed discussions of the following resolution during the committee meeting the previous morning and moved for the approval of:

Resolution Number 2008-51, Approval to Increase the Contract Authorization for the Fort Wayne New Construction and Renovation Project, Region 3/Northeast

Trustee Leigh A. Duckwall seconded the motion to approve **Resolution Number 2008-51**, and the motion carried unanimously.

- Item 5** Chairman Whitehead called upon Trustee David M. Findlay to give the **Audit Committee Report**. Trustee Findlay reported that there were no action items to bring before the Board. He reported that the Audit Committee met with representatives from the State Board of Accounts regarding the audit closing for the most recently concluded fiscal year. As indicated in their publicly available information, the College did receive an unqualified opinion from the State Board of Accounts. The Audit Committee reviewed the status of the College's compliance with Sarbanes Oxley guidelines; this topic will continue to be discussed at future Audit Committee meetings. The committee reviewed the status of the 2008-09 audit schedule. The Executive Director for Internal Audit, Ben Burton, reported that the audit staff continues to be challenged by the schedule, given the Banner implementation that has occurred over the last year, but he felt confident that they would be able to complete the audit schedule as planned for 2008-09. The Audit Committee discussed the issued reports that the trustees and central administration receive throughout the year, and while those were not reviewed in detail, there were no substantive issues cited with any of those reports. Finally, the committee reviewed other audit reports that are either completed or in progress.

- Item 6** Chairman Whitehead called on Trustee Steve Schreckengast for the **Workforce and Economic Development Committee Report**. Trustee Schreckengast reported that there were no action items to bring before the Board. He said that Brenda McLane, Executive Director for Workforce and Economic Development at the Bloomington campus, provided an informative report on the WED activities in the Bloomington region. He said that the region appointed an advisory board for WED activities in Bloomington, and

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he suggested that this might be worthwhile at each region. Trustee Schreckengast called on Susan Brooks, Senior Vice President for Workforce and Economic Development and General Counsel, for a report on other items that were discussed during yesterday's committee meeting. Senior Vice President Brooks said that the committee was informed of the newly hired Department of Corrections liaison at the College. This person will work on expanding the services that Ivy Tech offers in the prison system and will begin working more closely with the Department of Corrections to figure out which institutions Ivy Tech should serve. Senior Vice President Brooks reported that Ivy Tech is getting a great reception from the DOC about expanding our offerings with them. She also reported that Ivy Tech received a \$1 million energy grant from the Department of Labor to expand energy training and create a robust curriculum for the energy sector. This will occur in the Northwest Region, the Central Indiana Region, and the Southwest Region. The College is also getting attention from other energy sector companies that want to get more engaged and help us expand training throughout the state. Senior Vice President Brooks reported that Ivy Tech also applied for a Great Lakes Manufacturing Grant on behalf of the Great Lakes Manufacturing Council. Ivy Tech applied as the lead for six or seven states to develop advanced manufacturing curricula jointly with other states. We expect to find out if we have received this grant within the next month. Trustee Schreckengast added that he is learning daily of the importance of workforce and economic development as an integral part of the College. As we move forward in the next year, the WED Committee hopes to encourage all trustees to get more involved in their communities.

- Item 7** Chairman Whitehead called on Trustee Lee J. Marchant for a report from the **Regional Board Engagement Committee**. On behalf of the Committee, Trustee Marchant introduced **Resolution Number 2008-52, Engagement Expectations for State Board Members**. Trustee Marchant explained that this resolution outlines guidelines for the State Trustees concerning their responsibilities, expectations, and engagement and came about as Resolution Number 2008-53 was being drafted as guidelines for regional trustees. Trustee Marchant said that this resolution was created for the State Trustees since they need to serve as examples to the regional trustees. Trustee Marchant moved to approve **Resolution Number 2008-52**, and Trustee Buskirk seconded the motion. The motion carried unanimously.

Trustee Marchant introduced **Resolution Number 2008-53, Nominating Process, Term Limits, and Engagement Expectations for Regional Board Members**, and explained that this resolution was drafted by the committee, was shared and supported by the Board's executive committee, was shared with the College's senior leadership, and is now before the entire Board for approval. Trustee Marchant said that this is a step forward in enhancing how the regional boards operate and how they interact with the State Board.

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Trustee Marchant made the motion to approve **Resolution Number 2008-53**, and Trustee Pfau seconded the motion. The motion carried unanimously. Chairman Whitehead thanked Trustee Marchant for his leadership on this new committee and said that she appreciated the work he has done on this important topic.

E. TREASURER'S REPORT:

Chairman Whitehead called on Bob Holmes, Vice President for Finance and Treasurer, for the **Treasurer's Report**.

- Bob Holmes reported that we are nearing the halfway point of the 2008-09 fiscal year. Through November, total operations revenues have grown by \$15.3 million. Student fee revenue accounts for \$13.6 million of the revenue, which is an increase of about 12 percent from last year. Vice President Holmes explained that this reflects the 3.9 percent student fee rate increase that was adopted as part of the 2008-09 budget and the College's strong enrollment growth. State appropriations have increased by \$2.5 million over last year. The College expects to receive its final repayment of funds withheld by the State in 2001-02. That vote is expected to be taken later this afternoon by the State Budget Committee. For the last two years, the College has received \$7.7 million, and this would be the last \$3.1 million of the grand total reduction of \$10.8 million. Other revenue is down by \$700,000 compared to last year, which is almost entirely related to lower investment income. Higher investable balance has been offset by lower rates. We are now earning about 4 percent on our investment portfolio at this stage, which is about one percent less than one year ago. We have not faced any reduction in principal value or delays in getting access to our funds. Total expenditures are up \$5.8 million compared to last year. We continue to have a positive spread between the increase in revenues versus the increase in expenses. Compensation is up \$8.5 million, but other expenses such as supplies, equipment, utilities, and transfers continue to run below last year's figures. Part of this is timing, but we continue to have a positive differential. Vice President Holmes recognized the chancellors and their financial staff to get us to this position. The budget scorecard and one-page narrative was discussed yesterday during the Budget and Finance Committee meeting. This will be updated and shared with the trustees at each step of the budget process. We have gone through our request and the Commission for Higher Education's recommendations; the next step is the Governor's/budget committee's recommendation which will probably occur at the end of this month or early January, and then our budget goes before the legislature—to the House in late February/early March and the Senate at the end of March. President Snyder added that the CHE submitted to the Governor a dramatically reduced request for Ivy Tech. Vice President Holmes explained that the College's initial request was for \$41 million in new money in 2009-10 with an additional \$10 million in 2010-11. Of the \$41 million, \$30 million was set out by established formulas that the state has had and that Ivy Tech has earned by meeting goals in those formulas. Rather than receiving the \$30 million that the College has "earned," the

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CHE recommended that Ivy Tech receive \$8.4 million in the first year and an additional \$14 million in the second year. This is a significant reduction for us, and all of the higher education institutions in the state are facing similar reductions. The method that the CHE and the legislature used four years ago when they were facing similar difficult times was to fund a number of the initiatives at 50 percent the first year and 100 percent the second year, and then enforce an across the board reduction in all higher education institutional budgets. That reduced our increase dramatically and pushed into the red several higher education institutions. Several higher ed institutions are set to receive lower state appropriations in 2009-11 than they are receiving this year due to that across the board reduction. Chairman Whitehead called for a motion to approve the Treasurer's Report. Trustee Schreckengast made the motion to approve the Treasurer's Report, and Trustee Pfau seconded the motion. The motion carried unanimously.

F. STATE OF THE COLLEGE:

Chairman Whitehead called on President Thomas J. Snyder for the **President's Report**.

- President Snyder thanked Chancellor Whitehart for hosting the Board and staff at these meetings. He reminded the trustees that they will visit each of the 14 regions during their 3-year tenure. President Snyder also announced that the location of the February, 2009, Board meeting has been changed from Muncie to Indianapolis better facilitate their annual retreat.
- President Snyder referenced the Commission for Higher Education's enrollment report which indicates that Ivy Tech now has the responsibility of being the largest provider of higher education in the state. Indiana University was the largest provider of undergraduate education; now Ivy Tech has one third of all undergraduate enrollment in Indiana. In addition, 40 percent of African Americans in Indiana are enrolled at Ivy Tech. President Snyder added as a follow up to the Treasurer's Report that the trustees launched a one and a half year planning process for the next biennial budget which would ultimately lead to the trustees' approval of the final biennial budget submittal in April, 2010. He said that the report from KPMG will cause the College to put even more pressure on itself for internal rebalancing. The carry forward will be treated solely as a reserve so that we will have a baseline to protect ourselves if there is any further worsening in the economic indicators.
- President Snyder announced that the College's leadership had a summit this fall and the faculty would have their "Good to Great" summit this spring. The purpose is to help people get comfortable knowing that change can occur in higher ed or other not-for-profit organizations, just as it can in private enterprise.
- President Snyder recognized the work of the team that has been preparing for the upcoming site visit by the Higher Learning Commission (HLC). The self-study document that has been prepared for the HLC team is a great history of the College.

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President Snyder said it reminded him of the progress that has been made in a short period of time. For example, the College was approved to provide transfer associate degrees in April, 2005, which is a milestone when we see how far we have come today.

- President Snyder announced that the Board would hear reports from Chancellors Steve Daily and John Whitehart about their respective regions, Kokomo and Bloomington. He also said that Senior Vice President and Provost Don Doucette and Vice President for Workforce and Economic Development Becky Nickoli would provide an Engagement Report on the Higher Learning Commission (HLC) visit; and Assistant to the President for Diversity and Community Relations Gregg Scott would provide an Engagement Report on Diversity.

All engagement and regional reports were provided for information only; no Board action was required.

(Narratives and PowerPoint presentations were distributed to the Board prior to the meeting and are on file with the approved minutes of this meeting.)

G. OLD BUSINESS:

Chairman Whitehead called for old business, and there was none.

H. NEW BUSINESS:

Chairman Whitehead called for new business, and there was none.

Chairman Whitehead distributed a Christmas gift to the trustees: an opportunity for each trustee to make a contribution to the Ivy Tech Foundation. She said that this is the perfect opportunity for the trustees to uphold the spirit of the resolution that they passed earlier today concerning the expectations of state trustees.

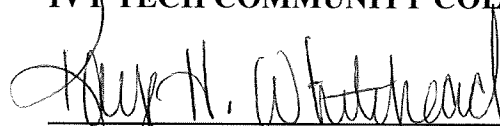
Chairman Whitehead thanked all of the trustees for all of their hard work throughout the year, and she thanked the College's leadership—both at the state and regional levels—the faculty, and students for their hard work. She said that it everyone's effort to make Ivy Tech successful. She wished everyone a merry Christmas and happy new year.

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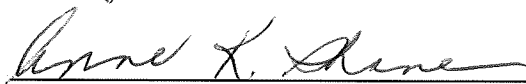
I. ADJOURNMENT:

Chairman Whitehead adjourned the formal meeting of the Board.

**STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE**



Kaye H. Whitehead, Chairman



Anne K. Shane, Secretary

Dated December 11, 2008

Prepared by Tina S. Phelps, Recording Secretary