MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
BLOOMINGTON, INDIANA
FEBRUARY 12, 2009

Vice Chairman Lee J. Marchant called the February 12, 2009, regular meeting of the State Board of Trustees to order at 9:00 a.m. in Room 132 at University Place Conference Center, 850 West Michigan Street, Indianapolis, 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:

- 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. McCready
- Mr. Anthony J. Moravec
- Mr. Norman E. “Ned” Pfau, Jr.
- Ms. Martha E. Rivas-Ramos
- Mr. Steve Schreckengast
- Mr. V. Bruce Walkup

Trustees unable to attend the meeting:

- Ms. Kaye H. Whitehead, Chair
- Ms. Linda E. White

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

Secretary Anne K. Shane confirmed that notices of the February 12, 2009, regular meeting were properly mailed and posted.

C.  **APPROVAL OF BOARD MINUTES:**

Vice Chairman Lee J. Marchant directed the trustees’ attention to the minutes of the December 11, 2008, regular board meeting. Trustee Lillian Sue Livers made the motion to approve the minutes of the December 11, 2008, regular meeting as submitted. Trustee Norman E. “Ned” Pfau, Jr. seconded the motion, and the motion was carried unanimously.
D. COMMITTEE REPORTS:

Vice Chairman Marchant explained that, due to yesterday’s Trustees' Retreat, the committee meetings would be included as part of the public meeting of the Board today.

Item 1 Reporting on behalf of the Executive Committee, Vice Chairman Marchant said that we are all facing tough economic times. He reported that President Snyder shared with the Board potential recommendations for ways the College could move forward if things get really tough. While hard times are ahead, Ivy Tech has been through hard times in the past and has survived. With the leadership from the Board, President Snyder, and staff, Ivy Tech can continue to experience unprecedented growth and provide unparalleled quality. He added that he thought yesterday's retreat was exceptional, and he applauded the work of the president and staff for putting it together. He also thanked the other trustees for coming to the retreat prepared to contribute and learn.

Item 2 Vice Chairman Marchant called upon Trustee Norman E. Pfau, Jr. for the Budget and Finance Committee Report.

Trustee Pfau reminded the trustees that they have discussed the College's investment policy at the last two Board meetings. Trustee Pfau called on Vice President for Finance and Treasurer Bob Holmes for an explanation of the changes in the revised investment policy. Vice President Holmes explained that the current policy was adopted in 2002. Administrative guidelines have been added from time to time since 2002, but there has not been a systematic, formal review of the policy since its initial adoption. We previously planned to review this policy this year, along with our debt management policy. The current financial situation makes it especially timely that we review the investment policy now. The current investment policy is financially conservative and it has served the College well during the current economic situation—the College has not lost any money, nor has the College had any money held back, as have hundreds of other colleges and non-profit entities across the country. Nevertheless, there are modifications that are recommended that will strengthen this policy. The new policy clarifies that the priorities are legal compliance, protect principal, liquidity, and provide return on investment. The proposed policy limits the amount that can be invested in any one bank at 20 percent of the total investment portfolio, versus the current limit of 30 percent. Money market accounts utilized by the College must have assets totaling at least $1 billion instead of the previous amount of $250 million. The new policy specifies that, as we look at bids that come in from banks, diversification of College assets may be considered in selecting the best investment bid, which we are already doing. The previous policy outlined that the bank with the highest investment quote should receive the business, but we are taking into account other factors besides just the
highest quote. This new policy just clarifies that issue. This is a good change—we do not necessarily want to have all of our assets in any one place. Vice President Holmes concluded by saying that the resolution currently before the Board is the same one that was included in the Board’s materials for the December, 2008, Board meeting for their review. Trustee Robert L. McCreary asked how much money, if any, the College has lost in investments within the last year, and Vice President Holmes said the College has not lost any money. Trustee Shane asked if the College still does business with banks that will not provide loans to our students, and Vice President Holmes said he was not sure but that he would report back to the Board at the next meeting. Trustee Shane suggested that this might be considered as a criterion. Vice President Holmes said such a filter could certainly be added administratively, and he said that he would check the status, report to the Budget and Finance Committee at the next Board meeting, and discuss whether or not they want to follow those guidelines. Trustee Pfau moved for the approval of Resolution Number 2009-1, Approval of the Revised College Investment Policy. Trustee Martha E. Rivas-Ramos seconded the motion, and the motion carried unanimously.

Trustee Pfau also reported that the Committee reviewed the approval of a 5-year agreement with IKON Office Solutions concerning the College’s copy system. Trustee Pfau asked Vice President Holmes to identify the cost savings by going to a statewide lease agreement. Vice President Holmes said that the College’s Chief Procurement Officer, Jim Hudson, has been instrumental in this process. Mr. Hudson, along with a team of finance staff from the regions and central office, have done yeoman’s work on this job. They have gone through a significant process of developing the proper specifications for reviewing multiple proposals and developing the program that will save the College a significant amount of money. Additionally, they put us on a schedule so that when this contract period ends, we will be likely to save even more money during the next contract period. We are significantly reducing the number of models, suppliers, and brands involved. Vice President Holmes called on Mr. Hudson for comments, and Mr. Hudson reported that the savings for the College would be 37 percent, which is significant. They invited bids from over 20 suppliers, including all current suppliers, and went through a rigorous process to determine the best one. The savings equates to $2.3 million over five years, in addition to intangible savings that will be realized in time as well. The team consisted of seven people with representation from Evansville, South Bend, Bloomington, Fort Wayne, and Indianapolis. User tests were conducted throughout the State and three finalists were identified based on products, costs, service. Trustee Pfau said that this contract is for $3.5 million and would save the College $2.7 million, which is significant. Trustee Pfau moved for the approval of Resolution Number 2009-2, Approval of a Five-Year Lease Agreement.
with IKON Office Solutions, Inc. Trustee Shane seconded the motion, and the motion carried unanimously.

Item 3 Vice Chairman Marchant called on Trustee Linda Buskirk for the Planning and Education Committee Report.

Trustee Buskirk said that the trustees met in a retreat setting all day yesterday, and she said that the quality of the discussion was outstanding. She thanked fellow Board members for their preparation leading to these meetings, and she thanked Provost Doucette and staff for assembling all of the information and requested data. She appreciated all of the effort that went in to making yesterday’s retreat successful.

Trustee Buskirk called on Senior Vice President and Provost, Dr. Don Doucette, for a report on the programs submitted to the Board for approval. Dr. Doucette called on Vice Provost for Academic Affairs, Dr. Marnia Kennon, who explained that the resolution before the Board contained two separate types of programs. One is a new program that is an addition to our program inventory in sustainable energy. This is not a program that would be feasible to offer at all 14 regions; this program would be strategically located and represents a major new direction for the College in new technologies. Other program approvals are for the AS in Office Administration and the AS in Radiologic Technology, both in Fort Wayne. The radiologic program is similar to other programs where the hospitals will offer the radiologic technology portion of the program and Ivy Tech will provide the general education. This is another example of a partnership program, similar to what we have in Columbus and Richmond, and represents a way to leverage what is available in a community. Dr. Kennon introduced Dr. Mary Ostbye, Vice Chancellor of Academic Affairs from the Lafayette Region, to talk about the sustainable energy program. Dr. Ostbye said that they were given an opportunity to apply for the Wired Grant, which if awarded, would provide them the opportunity to research this program the way they wanted to. They assembled an advisory board and they were able to hire a program chair who has already been across the country looking at programs that are similar. Dr. Ostbye reported that Lafayette is in a good position to offer this degree because there is interest and industry. Benton County has been supportive from the beginning; White County is looking to join them, and surrounding counties are also interested in getting involved. They expect one concentration in the degree to be especially popular with the public: bringing energy and green technology into the housing industry. This will be the only sustainable energy degree in the State and Ivy Tech is the only higher education institution to offer it. Purdue University is introducing a couple of classes in the area, but they do not yet offer the degree. Once they do, Ivy Tech will be prepared to provide articulation. The Wired Grant has covered the cost of much of the equipment already, so we are well-prepared to get
started. We also have industry partners that are willing to provide donations as we get the degree up and running. Trustee Findlay asked how much the grant was, and Dr. Ostrye said that the entire grant was $3.1 million, and Lafayette received $2.1 million. The sustainable energy program represented a large component of the funds, and the College asked for and received funding for the research component up front. Trustee Findlay asked if this was a Department of Education grant, and Dr. Kenson clarified that this was a $15 million dollar Department of Labor grant in which Purdue University is the fiscal agent. Dr. Ostrye said that there is synergy with many different programs, such as HVAC, agriculture, industry, chemistry, and technology. All of the program chairs are working together to promote careers. Trustee Buskirk moved for the approval of Resolution Number 2009-3, Approval of New Programs, and Trustee Steve Schreckengast seconded the motion. The motion carried unanimously.

Item 4

Vice Chairman Marchant called on Trustee V. Bruce Walkup to give the Buildings, Grounds, and Capital Committee Report.

Trustee Walkup moved for the approval of Resolution Number 2009-4, Approval to Purchase 0.156 Acres of Improved Land at 508 East Columbus Drive in East Chicago, Region 1/Northwest, and Trustee Livers seconded the motion. Vice Chairman Marchant called for discussion, and there was none. The motion carried unanimously.

Trustee Walkup moved for the approval of Resolution Number 2009-5, Approval to Purchase 0.3 Acres of Unimproved Land Surrounded by the Main Campus in Madison, Region 11/Southeast, and Trustee Findlay seconded the motion. Vice Chairman Marchant called for discussion, and there was none. The motion carried unanimously.

Trustee Walkup moved for the approval of Resolution Number 2009-6, Approval to Purchase 0.196 Acres of Improved Land at 707 Colonial Avenue in Evansville, Region 12/Southwest, and Trustee Martha E. Rivas-Ramos seconded the motion. Vice Chairman Marchant called for discussion, and there was none. The motion carried unanimously.

Trustee Walkup moved for the approval of Resolution Number 2009-7, Approval of an Architectural Firm for the Sellersburg New Construction and Renovation Project, Region 13/Sellersburg, and Trustee Robert L. McCreary seconded the motion. Vice Chairman Marchant called for discussion, and there was none. The motion carried unanimously.

Trustee Walkup moved for the approval of Resolution Number 2009-8, Approval of a Construction Management Firm for the Sellersburg new Construction and Renovation Project, Region 13/Sellersburg, and Trustee
BOARD MINUTES
FEBRUARY 12, 2009

Pfau seconded the motion. Vice Chairman Marchant called for discussion, and there was none. The motion carried unanimously.

Item 5 Vice Chairman Marchant called upon Trustee David M. Findlay to give the Audit Committee Report. Trustee Findlay reported that there was no meeting of the Audit Committee.

Item 6 Vice Chairman Marchant called on Trustee Steve Schreckengast for the Workforce and Economic Development Committee Report. Trustee Schreckengast reported that there was no formal meeting of the Workforce and Economic Development Committee. He said that there was good discussion during yesterday’s retreat, and he encouraged all trustees to meet with their local WED directors to get a feel of their challenges and to determine what support they might need from us.

E. TREASURER’S REPORT:

Vice Chairman Marchant called on Bob Holmes, Vice President for Finance and Treasurer, for the Treasurer’s Report.

- Vice President Holmes distributed a revised budget spreadsheet and briefly reviewed it for the trustees. He reported that we are past the halfway mark of the 2008-09 fiscal year. Through January, total revenue is up about $26 million as compared to last year. Additional student fee revenue accounts for the majority of the increase, which is up about $23 million from this time last year. State appropriations are up about $3.4 million, and investment income and miscellaneous revenue have dropped by about $700,000. The investment decrease is a result of lower interest rates that more than offset our investible balances. New investments that we are making are at roughly 1.5 percent, and those are replacing investments that were at 3.5 to 5 percent matured. One third of the College’s portfolio is invested in longer term securities that continue to earn higher rates. Total expenses have grown by about $11.6 million. Compensation is up by $14.8 million, and utilities are up primarily due to new campus buildings that are online in Valparaiso, Marion, and Madison. There continues to be a positive spread between the increase in revenues versus increases in expenses. We have recently submitted our certificate of completion to the bond trustee for the projects that were funded with the Series I and J bond issues. All projects were completed within budget and are currently in service and serving the College well. Trustee Walkup asked if utilities were up 50 percent statewide, and Vice President Holmes explained that they were up $4.3 million versus $3.8 million, so they are up about $500,000. He explained that the amount on the spreadsheet indicates how much is left of the budget to expand—about 49 percent of the budget is left, which is accurate, given that we have slightly less than 50 percent of the fiscal year remaining. Vice Chairman Marchant called for a motion to approve the Treasurer’s Report. Trustee Findlay made the motion to approve the Treasurer’s Report, and Trustee Pfau seconded the motion. The motion carried unanimously.
F. STATE OF THE COLLEGE:

Vice Chairman Marchant called on President Thomas J. Snyder for the President's Report.

- President Snyder called on Jeff Fanter, Vice President for Marketing and Communications, for a report on editorial board meetings that have been held recently around the State. Vice President Fanter reported that he and President Snyder started a tour of the state with editorial board meetings last week, visiting New Albany and Evansville. On Wednesday, he and President Snyder will be in Fort Wayne, South Bend, and Indianapolis; and Richmond, Kokomo, Lafayette, and Muncie are currently scheduled. The goal is to have all of the major newspapers covered by the end of March. The House Ways and Means presentation is shared with each editorial board. In addition to he and President Snyder meeting with the editorial boards, the local chancellors also meet with the editorial boards. President Snyder added that the schedule would be shared with the trustees in case there are issues they want addressed at these events. Trustee Findlay said that the Elkhart story is one that needs to be shared accurately, and Vice President Fanter said that the newspaper in Elkhart just yesterday printed an editorial acknowledging their inaccurate report from a week ago. Trustee Findlay said this is important for the trustees to know because both Ivy Tech and the Department of Workforce Development were getting negative press based on inaccurate perceptions of our lack of response and service. He applauded the efforts of the President for being proactive in getting out the true story. Vice Chairman Marchant added that the amount of earned media that the College receives has grown exponentially under the leadership of Vice President Fanter. Trustee Walkup added that President Snyder is also to be applauded for travelling the State to share the stories of Ivy Tech.

- President Snyder called on Joyce Rogers, Vice President for Development; and Dr. Hank Dunn, Chancellor for the Central Indiana Region, for a report on recent Foundation contributions. Vice President Rogers said that the Foundation had budgeted $8 million in revenue for 2008, and at the end of January, that total was up to $8.6 million. She reported that the goal for the next fiscal year is $10.6 million. Chancellor Dunn said that the Central Indiana Region has been in desperate need of additional parking to accommodate the increased number of students. The College was successful in receiving a federal earmarked grant of $6.2 million, however, those funds cannot be applied to a garage, so we have been trying to locate a donor to contribute to a parking garage. The College has a successful relationship with the Fairbanks Foundation, which contributed a significant amount towards the building at the Lawrence campus, and they asked that we prioritize the most needed projects. Chancellor Dunn explained that $3.8 million was needed for a parking garage to accommodate the 2,200 students at the Indianapolis campus, and the Fairbanks Foundation responded by contributing the entire $3.8 million for the parking garage. This is one of the largest gifts that the Indianapolis campus has received. This garage will be located at the corner of 26th Street and Illinois Street. The project is expected
to begin in August or September this year and conclude by summer 2010. There will be 400 to 600 parking spaces, depending on actual costs of materials. The contract was awarded to HCO, which represents the first minority-awarded contract of this size in higher education in Indiana. Vice Chairman Marchant said that this is incredible work and he expects that it will lead to more contributions to the College.

- President Snyder called on Dr. Gregory Kellam Scott, Assistant to the President for Diversity and Community Relations, for a report on diversity. Dr. Scott said that January has become quite a historic month, not only for the country but also for Ivy Tech. He reported that at the Dr. Martin Luther King, Jr. holiday ceremony, President Snyder was presented with the Freedom Award in acknowledgement of his personal commitment to diversity and the work that has been initiated at the College with respect to diversity. The Recorder, which is an African American newspaper published here in Indianapolis, along with the Minority Business magazine, acknowledged Ivy Tech and the effort being made by the staff in the work towards diversity. The College was acknowledged as a champion of diversity. Dr. Scott believes that Ivy Tech is the first higher education institution to be acknowledged in this way. He said that we are in the process of establishing the College’s diversity plan. President Snyder will establish the President’s Diversity Cabinet, which will report to the Trustees. He reminded the trustees that House Enrolled Act 1256 requires that they receive an annual report on diversity efforts, and this will be the group to make the reports. The Diversity Cabinet will coordinate the efforts of the 14 regional diversity committees. The regional diversity committees have been meeting, and the chairs have met five times already. Vice Chairman Marchant applauded Dr. Scott’s efforts for bringing diversity to the forefront as an important issue for the College.

- President Snyder said that he has discussed with the leaders in the General Assembly and one-on-one with trustees the College’s presentation to the House Ways and Means Committee. Our essential concern is that the College is budgeted for 46,600 FTE students, but there are currently 94,000 FTE students enrolled for the spring term. This means there is a budget gap for the equivalent of approximately 52,000 FTE students. President Snyder said we set a target to maintain the current structure in terms of staff and full-time faculty and we have to fill that gap which equates to $20 million. He said that a big part of this will result from internal cost savings identified by eight reengineering teams that have been formed to review efficiencies. President Snyder said that a status report would be provided to the Executive Committee in March and the full Board in April. He said that we look at ourselves as the primary institution to bridge the gap between displaced workers and workers who want to have better skills in the workplace. The future of the middle class rests with community colleges, and we take that role seriously.

G. OLD BUSINESS:

Vice Chairman Marchant called for old business.
• Vice Chairman Marchant reminded the trustees that the next regular Board meeting is scheduled for April 8 and 9 in Sellersburg. President Snyder said the meetings would begin with lunch on Wednesday and conclude on Thursday. He added that there would be a community reception on Wednesday evening.

• Vice Chairman Marchant thanked the staff for distributing the Board materials to the trustees earlier so they would have a week to review and prepare for the meetings.

H. NEW BUSINESS:

Vice Chairman Marchant called for new business.

• Trustee Buskirk reminded the trustees that they approved a resolution at their last meeting that modified the process of nominating regional trustees and outlined expectations of regional trustees. She asked Bill Morris to make sure that the chancellors are aware of the new process and guidelines so they are aware of how the nominations should come forward in the future. She reported that the trustees also discussed the idea of being able to approve the submittals in a more timely manner, for example, appointing regional trustees by unanimous consent in between the regular meetings of the Board. Trustee Buskirk explained that by taking action in between the Board’s regular meetings, they would be able to take action faster. Trustee Schreckengast asked for more clarification on the process and timeline. He explained that it was his belief that the regional trustee selection committee would be comprised of the regional chancellor, regional board chairperson, a state trustee, and a representative from the president’s office. He said he also believed that once the candidates were identified, an official vote by the regional board was to take place to accept the recommendation. Bill Morris explained that this has been the process in the past, and Trustee Schreckengast asked for a summary of the newly adopted procedures so everyone is aware of them. He said that he has met with the Lafayette chancellor and chair of the regional board and they have already identified candidates to fill upcoming vacancies on the Lafayette Regional Board, but they are still awaiting input from the Office of the President. Vice Chairman Marchant called on Jeff Terp, Vice President for Engagement and staff person on the Regional Board Committee, for further clarification on this process. Vice President Terp explained that the Lafayette region has followed the new guideline for identifying and recommending candidates to the regional board, however, there was no representation from the Office of the President on the day the regional nominating committee met. Vice Chairman Marchant asked that a summary of the new procedures be formatted and shared with the State Trustees and chancellors so everyone is aware of the new procedures. He added that he agreed with Trustee Buskirk about expediting appointments of regional trustees. President Snyder said he would direct Bill Morris to send to the State Trustees the nomination forms for applicable regional trustee candidates and seek their votes for approval any time there is a need in between the State Board meetings. Vice Chairman Marchant said it is important to not delay this
process, and he added that he thought this new procedure would be to everyone’s advantage. Trustee Schreckengast added that it is important when talking with regional trustee candidates that they understand that there is a process to be followed and that their appointment rests with the State Board of Trustees. Vice Chairman Marchant thanked Trustee Schreckengast for working with the regional chancellor and regional chair to identify potential candidates for the Lafayette Regional Board. He said he is looking forward to expediting the appointment of regional trustees as the need arises in between the regular meetings of the State Board.

- Vice Chairman Marchant said that he and his fellow trustees have truly become an interactive board and the synergism that exists now among the Board and the relationship they have with the staff is something he has never experienced. He said that he has been involved with Ivy Tech for many years, and he thinks that he is a part of an incredible Board that gets to work with the incredible leadership of the College.

I. ADJOURNMENT:

Vice Chairman Marchant called for a motion to adjourn the meeting. Trustee Walkup made the motion to adjourn the meeting, and Trustee Shane seconded the motion. The motion carried unanimously.

STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE

Lee J. Marchant, Vice Chairman

Anne K. Shane, Secretary

Dated February 12, 2009

Prepared by Tina S. Phelps, Recording Secretary