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Meeting of the State Board of Trustees
Ivy Tech Community College of Indiana
June 15, 2006

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OFFICIAL NOTICE OF MEETING
IVY TECH COMMUNITY COLLEGE
STATE BOARD OF TRUSTEES

Notice is hereby given that the State Board of Trustees of Ivy Tech Community College will hold the following meetings at the Hyatt Regency Indianapolis, One South Capitol Avenue, Indianapolis, Indiana.

Wednesday, June 14, 2006

3:30 p.m. – 5:30 p.m. Standing Committee Meetings
Planning & Education – Executive Board Room
Budget & Finance – Canyon Hall
Buildings, Grounds, & Capital – Salon A
Audit – Main Lobby

Thursday, June 15, 2006

7:30 a.m. – 9:30 a.m. Meeting of State Trustees in Executive Session in Salon A to discuss the following subjects pursuant to LC. 5-14-1.5-6.1 (b):
(2) (B) Litigation
(2) (D) Leasing of real estate property
(4) Information about prospective employees
(8) Job performance evaluation of employees
(10) Train state trustees with an outside consultant about the performance of the role of trustees as public officials

9:30 a.m. – 11:00 a.m. Joint Committee Meeting – Mt. McKinley

11:00 a.m. The State Trustees will hold a regular meeting in Mt. McKinley to consider and take action on such items as may be brought before them. Included will be a public hearing at which a decision will be made with regard to the awarding of a contract for the following public works:

Valparaiso New Construction Project, Region 1

Jerry D. Speidel, Secretary

Dated this 2nd day of June, 2006
PRELIMINARY AGENDA AS OF JUNE 2, 2006*
Meeting of the State Board of Trustees

June 15, 2006

I. Roll Call

II. Report of Secretary on Notice of Meeting

III. Approval of Minutes:

- Regular Meeting, April 13, 2006
- Special Board Meeting, May 1, 2006

IV. State of the College, Gerald I. Lamkin, President

V. Treasurer's Report, Robert C. Holmes, VP/Finance and Treasurer

VI. Reports of Board Committees

A. Executive Committee, William R. Goins, Chairman

Resolution Number 2006-26, Appointment and Reappointment of Regional Trustees

B. Budget and Finance Committee, Jerry D. Speidel, Chairman

Resolution Number 2006-27, Approval of the College 2006-07 Fiscal Year Internal Operating Budget

Resolution Number 2006-28, Approval of Contract Extension for Statewide Marketing/Advertising Services

Resolution Number 2006-29, Approval of Contract Award for Advertising Services, Region 3

Resolution Number 2006-30, Approval of Arrangement with Indiana Higher Education Telecommunication System (IHETS) for College Data, Video, and Internet Circuits and Services

Resolution Number 2006-31, Approval of Facilities Management Contract, Region 8
Resolution Number 2006-32, Approval of Additional Funds for the Custodial Services Contract Due to Adding Additional Space at Region 12

Resolution Number 2006-33, Approval of Purchase of Assessment Instrument from American College Testing (ACT)

C. Planning and Education Committee, Louis R. Martinez, Chairman

Resolution Number 2006-34, Approval of New Programs

Resolution Number 2006-35, Approval of the Awarding of the High School Diploma by Ivy Tech Community College

D. Buildings, Grounds, and Capital Committee, Thomas J. Trauring, Chairman

Resolution Number 2006-36, Approval of the Priority Ranking Measures for Capital Projects for the 2007-09 Biennium and Subsequent Biennia

Resolution Number 2006-37, Approval of the Current Community Support Measure for Capital Projects for the 2009-11 Biennium and Subsequent Biennia

Resolution Number 2006-38, Approval to Purchase 0.196 Acres of Improved Land at 603 Colonial Avenue in Evansville, Region 12

Resolution Number 2006-39, Approval to Exercise a Renewal Option for the Tucker and Jones Buildings in Marion, Region 6

Resolution Number 2006-40, Approval of a Lease for and Renovation of Space in the International Medical Group Building at 2960 North Meridian Street in Indianapolis, Region 8

Resolution Number 2006-41, Approval of a Third Technical Amendment to Resolution Number 2001-54 for the Approval of a Construction Management Firm for the Valparaiso New Construction Project, Region 1

Public Hearing and Consideration of:

Resolution Number 2006-42, Approval of the Valparaiso New Construction Project Contracts, Region 1
E. Audit Committee, Joseph T. Bumbleburg, Chairman

VII. Old Business

VIII. New Business

- Election of Board Officers (including Assistant Secretary and Assistant Treasurer)
- Appointment of External Legal Counsel

IX. Adjournment

*Matters may be added to or deleted from the board agenda between the date of this preliminary agenda and the board meeting.*
MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
INDIANAPOLIS, INDIANA
APRIL 13, 2006

Chairman William R. Goins called the April 13, 2006, regular meeting of the State Board of Trustees to order at 11:00 a.m. in Johnson Hall 3428-3429 at the Ivy Tech Community College Richmond campus, 2357 Chester Boulevard, Richmond, Indiana.

A. ROLL CALL:

Secretary Jerry D. Speidel called the roll and the presence of a quorum was announced. The following State Trustees were present:

Mr. William R. Goins, Chair
Mr. Thomas J. Trauring, Vice Chair
Mr. Jerry D. Speidel, Secretary
Mr. Jesse R. Brand
Mr. Joseph T. Bumbleburg
Mr. Marvin E. Foote
Mr. John P. Griffin
Mr. Francis H. Luiken, Jr.
Mr. Lee J. Marchant
Mr. Louis R. Martinez
Mr. Mark J. Neff
Mr. Norman E. "Ned" Pfau, Jr.
Mr. V. Bruce Walkup

Trustees unable to attend the meeting:

Mr. Lawrence R. Foster, Jr.

B. NOTICES OF MEETINGS MAILED AND POSTED:

Secretary Jerry D. Speidel confirmed that notices of the April 13, 2006, regular meeting were properly mailed and posted.

C. APPROVAL OF BOARD MINUTES:

Chairman William R. Goins directed the trustees’ attention to the minutes of the February 9, 2006, regular board meeting and the March 6, 2006, special board meeting. Trustee Norman E. Pfau made the motion to approve the February 9, 2006, and March 6, 2006, minutes as submitted. Trustee Thomas J. Trauring seconded the motion, and the motion was carried unanimously.
BOARD MINUTES
APRIL 13, 2006

At this time, Chairman Goins called on Region 9 Chancellor Jim Steck, who welcomed everyone to Richmond and to Johnson Hall. Chancellor Steck said he was delighted to have so many trustees in attendance to participate in the building dedication today and he thanked them for being here. On behalf of the Richmond faculty and staff, he expressed his appreciation for the trustees’ support for bringing their new building project forward. He also acknowledged two of the Region 9 Board members in attendance: Chair Becky Gibson and Joe Meyer. He thanked them for all of their tireless work on behalf of the College. Chancellor Steck noted the two pillars just inside the entrance on the main level have plaques on them recognizing both Bill Goins and Becky Gibson as “pillars of support.” He said that that description was right on target for both of them, and he wanted to make sure they were acknowledged for the work they have done for Region 9. He thanked his fellow chancellors for their attendance today and for their support during the project. He directed everyone’s attention to a building outside under construction and explained that that was the new $300 million Reid Hospital. He explained that this part of the state has struggled with high unemployment and an economic boost is much needed. The vision is that synergies be developed between Reid Hospital and Ivy Tech, IU East, and Purdue that can create an economic leverage tool in the community and become the “jewel” of Richmond, Indiana. He added that when driving on I-70, you can’t help but notice this new structure with “Ivy Tech Community College” on its face, and that is a wonderful sign post for people who are passing through Richmond. He welcomed everyone again to Richmond, said he appreciates all the support, and said that he is looking forward to a wonderful dedication ceremony later today. He reminded everyone that lunch would follow the board meeting and the ceremony would take place in the downstairs atrium.

D. STATE OF THE COLLEGE:

Chairman Goins called on President Gerald I. Lamkin for the President’s Report.

- President Lamkin thanked the trustees who attended the Association of Governing Boards of Colleges and Universities (AGB) Conference in Orlando last week. He said it was a successful conference, and Ivy Tech had the largest turnout of attendees of any college in the U.S.

- President Lamkin noted that each trustee had a copy of the 2006 commencement schedule in their binders, and he encouraged all of the trustees to participate.

- The Commission for Higher Education’s Conference for University Trustees is scheduled for Friday, April 21, from 10 a.m. to 3 p.m. at the University Conference Center on the IUPUI campus. To date, nine Ivy Tech trustees have indicated they will attend. President Lamkin called on Vice President for External Affairs, Jeff Terp, for information on the conference agenda, and Mr. Terp provided a brief summary of the day’s events.

- President Lamkin reviewed a list of upcoming events, beginning with the Marion groundbreaking ceremony on April 18 at 10:30 a.m. On April 20, President Lamkin will attend a ceremony in Fort Wayne to honor charter regional board member Dr.
Lloyd Bridges. On April 27, Madison will host its groundbreaking ceremony at 1:00 p.m. The O'Bannon Institute will kick-off on April 27 and run through April 28 in Bloomington. The Crawfordsville dedication is scheduled for May 9 at 2 p.m. President Lamkin said that Carol D'Amico, Executive Vice President; Bob Holmes, Vice President for Finance and Treasurer; and Chuck Harris, Vice President for Development, would join him in New York for the bond hearings on May 15 and 16. The Budget and Finance Committee will have a meeting at the North Meridian Center on May 31 at 10:00 a.m., followed by lunch and an Executive Committee meeting at 1:00 p.m. The next State Board meeting is June 14 and 15 in Indianapolis, and the Sample Award Luncheon is scheduled for June 29. Later this fall, Regions 1 and 11 will host dedication ceremonies.

- President Lamkin called on Joan Boyer, Director for Donor Relations, for an update on the Cornerstone Society Dinner. Ms. Boyer reminded the trustees that the Cornerstone Society is an organization that was started two years ago to honor donors of planned gifts. Planned gifts include gifts of property, trusts, and charitable gift annuities. In 1990, the Foundation decided that they would start soliciting this type of gift. In the years since, we have in place 71 planned gifts and $19 million of those have matured. The inaugural celebration was last year, and this year the event will be hosted at the Indianapolis Museum of Art on Sunday, June 11 at 2:30 p.m. This year's speaker is Laurie Borgman who is a syndicated humor columnist who lives in Indianapolis.

- Next, President Lamkin called on Dick Tully, Executive Director for Facilities and Institutional Planning, for a report on a Buildings, Grounds, and Capital Committee item. Mr. Tully directed the trustees to a document in their folders that was used by the Committee to make its final recommendation. Mr. Tully said that the Committee starts in October laying out its work plan to get to this April meeting. Lists of projects are solicited from the regions to be submitted prior to the December meeting, with more detail to be submitted in January. Much of the information is “fall based” meaning the data is collected in the fall term. At their February 9 retreat, this Board reviewed the priority measures that have been used historically by the Committee. As a result, the 22 measures were reduced to 13. Selection of the 13 measures was based upon staff analysis and a recommendation from Dan Paulien, whose company is doing the facilities strategic plan for us. The measures were also shared with Budget Agency staff. Dan Paulien made an additional evaluation once data were available. The Buildings, Grounds, and Capital Committee met again on March 27 to discuss additional staff recommendations and State Budget Agency’s recommendations and adopted several of them. We ended up with 12 need measures and 2 support and readiness measures. The latest listing of those measures is on pages 4 and 5 of the handout. He then directed the trustees to Table 1 showing the 18 projects and resulting scores of priority measures and the way they are ranked. Ever since we have had projects that have gotten planning money in one biennium, this Board has chosen to put those projects at the top of the list in the same order that the ranking of the 18 projects occurred. The rationale is that we
have gotten some legislative support and we need to keep the momentum going with that support. The next set of projects are construction or construction and renovation projects. The Committee also made a decision to limit the capital budget request to six or seven projects and less than $100,000 million. We can do that by asking for full funding for Fort Wayne, Greencastle, and Logansport, the three projects that received planning funds totaling $76 million. Then we can ask for planning money for the rest of the projects because that is what the General Assembly has done for us in the past—given us planning money for the next set of projects instead of fully funding them. The only exception to asking for planning money is that Indianapolis will have some significant demolition costs, so we’re asking for about $5 million in demolition. That then keeps the capital budget request less than $100 million—at little over $90 million for the projects. We have three projects that we are asking for money to construct; we have four projects that we are asking for money to plan. The planning money we are asking for is 7 percent of the project costs, which is traditionally what the Commission for Higher Education will recommend for the project. The General Assembly might give us less planning money than what we ask for, but we are at least asking for the guideline 7 percent of construction costs. In the last four biennia, we have averaged three new construction projects. One time it was two projects, one time it was four projects, but for the majority of the four biennia, it has been three construction projects. We also average two or three planning projects. The times are tougher for this General Assembly, but if they behave as they have in the past, they would probably give us Fort Wayne, Greencastle, and Logansport. With less money, they are not likely to give us all three—maybe two, along with some planning money for one or two new projects. Another observation is that they will phase our projects that are something over $25 million. It is most likely that the General Assembly will not give us $49 million for Fort Wayne but half of that—about $20 million to $25 million—instead. We have already planned for the best way to phase that project so we can ask for the amount of money that best matches the phases if the General Assembly asks. If we only got $20 million to $25 million for a first phase for Fort Wayne, then roughly $51 to $56 million would be split among three projects and the rest would be for planning.

- President Lamkin called on Dr. J. Robert Jeffs, Vice President for Workforce/Economic Development, for a report on workforce needs. Dr. Jeffs explained that during a previous update, he talked about the top five workforce needs in Indiana that the College is trying to address: healthcare, workforce literacy, commercial truck driving, Warsaw orthopaedic manufacturing, and plastics. For healthcare, the College has received a Department of Labor unit based job training grant for $2.2 million. We have a new director, Yvette Spicer, to administer the grant. She is getting caught up on the six projects we have going in eight regions and beginning the next round of six to eight projects. We are trying to find additional grant money from other sources for workforce literacy. Yesterday, we submitted four grant requests to the Department of Workforce Development, for about $200,000 each. They have already been through one cut, and we are confident
that most of those will get funded. There is one for Richmond, one for Bloomington, one for South Bend, and one for Columbus. Each has a description of helping workforce literacy. That was an Indiana State Chamber initiative of work of DWD. We have had a meeting of the executive directors of our workforce offices in the College and a consultant that runs 33 truck driving programs for community colleges around the country on the east and west coasts. We are in negotiations with him to start a program in Indianapolis, both in the articulated semis—class A and the dump truck drivers for construction. Indianapolis Mayor Bart Peterson and his assistant, Earl Morgan, are working with us to find a site and training money to help inner city people as well as some non-violent, non-drug, and non-alcohol offenders recently released from jail find jobs in this area. Region 2 Chancellor Virginia Calvin and her staff have done a tremendous job in securing $1.3 million grant money for orthopaedic manufacturing. When the Strategic Skills Initiative (SSI) results from the Workforce Investment Board (WIB) in South Bend came in, there was no money for orthopaedic manufacturing. There was a tremendous amount of discussion between the region, central office, DWD, and Dr. D’Amico’s office to make sure that the money got up there. The local executive dean is also working with Chuck Harris and the community to raise between $2 million and $3 million in private funds to get a permanent location for the campus, for orthopaedic manufacturing center for excellence—we are going to try to get national recognition for that. There are 3,500 jobs in plastics around the state that we are trying to develop training for, and the majority of those jobs are low pay, low skill. Dr. Jeffs had a meeting with the Midwest Association of Plastic Producers and we are working with an international certification from England on trying to come up with a way to train several hundred of those people every year. The executive directors of workforce in each region have been directed to meet with their chancellors, review the data, and find the top five employment needs in their region. We will then start partnering regions with the same needs. As those lists come in, Ray Vulan, Executive Director of Grant Development, and our grants department is already looking at funding opportunities to specifically address the resource needs in those areas. There currently is a request for proposal out to do all of the adult education in the Indiana Department of Corrections. We are also looking at the Major Moves money—we expect an RFP in the next few months that talks about pre-employment and pre-apprenticeship training. We are trying to run the range of employment opportunity training—our goal is to provide training that has an immediate benefit to Hoosiers and their employers. Trustee John P. Griffin added that Dr. Jeffs put together a promotional brochure about Ivy Tech that he used in a December meeting in Tokyo with the IEDC representative. The meeting was to promote Ivy Tech in Japan to companies that could potentially relocate to Indiana. Since then, the IEDC representative, Mr. Hemuki, has contacted Dr. Jeffs for additional information. Trustee Griffin thanked Dr. Jeffs for his hard work and for working with him.

- Concluding his report, President Lamkin called on Dr. Carol D’Amico, Executive Vice President, for an update on the strategic plan. Dr. D’Amico said that the strategic plan was shared with the Lumina Foundation and they support the plan. They are working with about 50 leading community colleges throughout the
country, and they said that they had never seen a plan like this one for a community college. People are talking about it all over the country. The challenging news is that we are going to have to deliver because we have so many people watching us. Dr. D’Amico expressed no doubt that we will deliver. The chancellors have been meeting monthly and have broken up into sub-committees. Dr. D’Amico has now been to every region to roll out the strategic plan, and there is a lot of enthusiasm in the regions. She reminded the trustees of the four Overarching Goals: 50 percent increase in the percent of students who earn an associates degree; 50 percent increase in percent of students who earn technical certificates; 50 percent increase in our students who earn industry-recognized certificates; 50 percent increase in the number of our students who transfer successfully to a university. At their meeting yesterday, the chancellors group added a fifth goal concerning enrollment as a result of presenting this plan to legislators, colleagues, and CHE members. They decided that by 2010—which is the period of the strategic plan—the College will be at 175,000 students. The original vision document that was created and approved a few years ago called for Ivy Tech to be at 200,000 students by 2013. If we reach 175,000 by 2010, we will make 200,000 by 2013—which includes credit and non-credit. The 175,000 is ambitious but doable, and it is an overall growth rate of about one third. Subcommittees have been working on how to reach these goals. One committee talked about how we are going to “incentivize” regions that meet and/or exceed those goals—Bob Holmes, Jim Steck, and Dan Schenk did a great job of presenting a plan for this to the president recently. John Hogan heads a committee that addresses enrollment processes. Marnia Kennon is heading a group on primary learning and new delivery of our programs. Another group was created yesterday to look at program review processes because we keep adding new programs, but do not necessarily remove old programs. The committee will review existing programs and how to reallocate resources to some of the new programs. The group also had a discussion about some of the unintended consequences of a plan like this. There is concern about maintaining quality while at the same time increasing our numbers. There is concern about continuing to get buy-in from the faculty and staff throughout the state. There is concern about how to create a sense of urgency with our faculty and staff, but not anxiety. Dr. D’Amico also updated the Board about a proposed resolution to the Commission for Higher Education on transfer. At the February Board meeting, the trustees had directed Dr. D’Amico to work with Commissioner Stan Jones to see if we could start working together before the actual resolution went forward. Dr. D’Amico said that the Board was right in that this was the way to handle this situation. She thanked the trustees for their advice and said that this worked out well. She said that she and members of her staff have had a few meetings with Commissioner Jones and his staff, and at their last meeting, staff from Indiana University was brought in, and we now have a great opportunity to address this issue in a short time period. Dr. D’Amico called on Dr. Marnia Kennon, Vice President for Academic Affairs; and Region 14 Chancellor John Whikehart, for reports on this issue. Dr. Kennon said that the opportunity that presented itself at the last meeting specifically related to how we offer liberal arts programs in the College. Dr. Kennon reminded the trustees that Ivy Tech inherited a single liberal arts
program from Vincennes University as we took over the responsibilities for the community college. The Indiana University representative suggested that we think about breaking the liberal arts program out into five or six separate programs at a more general level than the highly specific breakdown that we got from Vincennes. The IU rep also felt that if we did that and redirected our approach to liberal arts, that he could deliver Indiana University statewide; a single curriculum for all our students at all our campuses. This approach was discussed with all of the chancellors yesterday, and they endorsed it. Accordingly, the State Board has been given a resolution that calls for breaking up the current liberal arts programs separate degree programs. In addition, the chancellors established an expedited schedule for how we can get to all 12 of the statewide articulated programs that are called for in the legislation because liberal arts is just one of them. We are hopeful, under the Commission plan, that they will be pushing the universities and staffs and that we will have six programs identified for consistent statewide transfer by December. Those include liberal arts, nursing, criminal justice, education, business administration, and manufacturing and industrial technology. These are large programs for the College and will affect thousands of students. Trustee Lee J. Marchant asked who we are working with at IU, and Chancellor Whikehart responded that it is J.T. Forbes, who is the state governmental relations representative. He went on to say that he knows Mr. Forbes and believes he is well-intentioned in this endeavor and he comes to the table with the knowledge and blessing of IU President Herbert. Mr. Forbes talks to us about the fact that they want to find solutions. He proposed to us—in relation to the creation of new degrees—if we take this approach, it is a better fit with them and their schools and with their programs. The opportunity we have is to say—that’s fine, go make this happen. Previously, IU has said that they are not interested in talking about this topic. He also added that if we persist and insist that this is done exactly as we had previously proposed, then we will hit resistance with IU. Mr. Forbes said that if we compromise, there is a better chance that he can get buy-in from IU and we can get this done. Chancellor Whikehart said that Indiana University, through Mr. Forbes’ representation to us, is extremely interested in going to the legislature next year with us and saying that we have all worked together, that we are fulfilling the mandate given to us. There are other institutions that are not at the table, but this is an opportunity with IU that we have not had before. We have made great progress in the last four to five years; increasing from 39 credit hours that transfer to over 370 and now proposing new degree programs. Dr. D’Amico asked if a discussion on the resolution was in order, and Trustee Martinez said that the resolution had been discussed already in committee and that the trustees would advance the resolution. Trustee Marchant said that he has watched this articulation for a long time in Bloomington, and he remembers when Chancellor Whikehart first started in that position—he was a “lone voice.” Chancellor Whikehart has taken an aggressive position in the community, in the press, and the results of that are huge. This is an outstanding job of coordination and a giant step forward. He also said that the Chairman of the IU Board of Trustees, Steve Ferguson, is equally committed to this endeavor, as is President Herbert. With the work that Chancellor Whikehart has
done, it looks like this will be successful. This is a great example of what persistence, hard work, and aggressive been critical; it was important to let Commissioner Jones know that our Board is supportive. Trustee Francis H. Lucken, Jr. commented that the Ivy Tech trustees who attend the CHE Trustees conference next Friday, should talk to the IU trustees and plead our case. He suggested that the trustees need to do their jobs so this becomes a “win” for our students. Dr. D’Amico added that this would have a lasting impact on the landscape of higher education.

Dr. D’Amico reminded the trustees that they may have heard during the last legislative session that there was a law passed that created two new programs that involved Ivy Tech. One is Fast Track that authorizes Ivy Tech to issue high school diplomas as well as associate degrees. The second one is Double Up which accelerates dual credit programs. Some ideas were presented to the chancellors about how to have a statewide approach to these two programs because these need to be statewide; an update will be presented to the trustees in June about the approach. Chairman Goins asked for everyone to remember the diversity and to advocate that so we can all say that we celebrate diversity on every campus statewide.

E. TREASURER’S REPORT:

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

- Treasurer Bob Holmes said that we have now completed the three-quarter mark for the 2005-06 fiscal year. Because of timing differences this year as compared to last year on summer term student fee revenue, his comments today are only through February, because March figures are a little skewed. Revenue was in a little earlier this year for summer student fees, and consequently they are throwing off comparisons to last year. Through February, total revenue has increased by $15.8 million as compared to the previous year, while expenditures have grown by $14.5 million for the same period. Once again, we have a positive spread between the increase in revenues and expenditure growth, about $1.3 million through the end of February. Student fees have grown by $6.9 million as compared to last year and state appropriations are up $7.6 million from a year ago. Investment income has continued to be a bright spot for us as it is about $1.2 million greater than last year. Our investment rate is about 4.6 percent through the end of March; last year it was about 2.7 percent. Expenditures are up $14.5 million compared to last year. Compensation has increased by $6.6 million from last year, and other expenses are up about $8 million. This is primarily due to the beginning of the IIS project and a one-time expenditure of over $6.4 million for the software purchase up front. Vice President Holmes added that the last two budget presentations would take place today immediately following the dedication ceremony in the Region 9 Chancellor’s Board Room, and he invited everyone to attend those. Trustee Jerry D. Speidel said that the presentations this year have been very innovative and that he has been impressed. He said he thought it would be worthwhile for all of the chancellors to hear the presentations of their counterparts, or at least have the presentations shared/communicated because a
lot of good things are happening in the College. Dr. D’Amico added that it would be a good idea for the chancellors to present to each other. Vice President Holmes said that a summary of the budget hearings is shared with the Budget and Finance Committee, and he said he would be happy to make that summary available to other trustees if they so desire. Vice President Holmes called for questions, and there were none. Trustee Marvin E. Foote moved that the Treasurer’s Report be approved. Trustee V. Bruce Walkup seconded the motion, and the motion carried unanimously.

F. COMMITTEE REPORTS:

Item 1 Reporting for the Executive Committee, Chairman Goins reported that there had been no Executive Committee meetings held since the Board last met.

- Chairman Goins called on Trustee Brand to present Resolution Number 2006-9. Trustee Brand explained that, due to the resignation of Mr. Robert “Mike” Hall, the Region 10 Board has nominated three candidates to fill the vacancy. Trustee Brand made the motion to approve Resolution Number 2006-9, Appointment of Regional Trustee, Region 10 appointing Mr. Richard Beckort as a regional trustee representing agriculture. Trustee Bumbleburg seconded the motion, and the motion carried unanimously.

- In the absence of Trustee Lawrence R. Foster, Jr., Chairman Goins called on Trustee Foote to present Resolution Number 2006-23. Trustee Foote explained that, due to the resignation of Ms. Marzy Bauer, the Region 2 Board has nominated three candidates to fill the vacancy. Trustee Foote made the motion to approve Resolution Number 2006-23, Appointment of Regional Trustee, Region 3 appointing Mr. Steven A. Bussman as a regional trustee representing at-large. Trustee Martinez seconded the motion, and the motion carried unanimously.

Item 2 Chairman Goins suggested that the Board consider the following 3 resolutions from the Budget and Finance Committee as a single consent action. With the Board fully apprised of each proposed resolution, Trustee Jerry D. Speidel moved that the 3 resolutions be adopted. Those resolutions are delineated as follows:

Resolution Number 2006-10, Approval of College 2006-07 Employee Health and Dental Insurance Programs

Resolution Number 2006-11, Approval of College 2006-07 Property & Casualty Insurance Programs

Resolution Number 2006-12, Resolution of the State Board of Trustees of the Trustees of Ivy Tech Community College of Indiana Authorizing the Executive Committee of the Board of Trustees to Authorize the Issuance
of a Series of Student Fee Bonds for the Purpose of Financing New Projects and Refunding Prior Bonds

Trustee Pfau seconded the motion to approve the above 3 resolutions, and the motion carried unanimously.

Item 3

Chairman Goins called upon Trustee Louis R. Martinez to give the Planning and Education Committee Report. With the Board fully apprised of the proposed resolution, Trustee Martinez moved that Resolution Number 2006-13, Approval of New Programs, be approved. Trustee Lucken seconded the motion, and the motion carried unanimously.

Item 4

Chairman Goins suggested that the Board consider the following 6 resolutions from the Buildings, Grounds, and Capital Committee as a single consent action. With the Board fully apprised of each proposed resolution, Trustee Thomas J. Trauring moved that the 6 resolutions be adopted. Those resolutions are delineated as follows:

Resolution Number 2006-14, Approval of Legislative Request for Capital Funds for the 2007-09 Biennium and the Ten-Year Capital Improvement Plan for 2007-17

Resolution Number 2006-15, Authorization to Acquire 0.682 Acres of Land Adjacent to the Main Campus in Madison as a Transfer from the City of Madison, Region 11

Resolution Number 2006-16, Approval of a Lease Agreement for the Fort Wayne Regional Public Safety Training Academy, Region 3

Resolution Number 2006-17, Approval of a Technical Amendment to Resolution 2004-31 for the Approval of a Construction Management Firm for the Marion New Construction Project, Region 6

Resolution Number 2006-18, Approval of a Technical Amendment to Resolution 2003-68 for the Approval of a Construction Management Firm for the Madison New Construction and Renovation Project, Region 11

Resolution Number 2006-19, Request that Ivy Tech Foundation, Inc. Purchase 2.43 Acres of Land and Buildings in Kokomo for Lease to the College, Region 5

Trustee Martinez seconded the motion to approve the above 6 resolutions, and the motion carried unanimously.
At this time during the regular meeting, Chairman Goins called a public hearing for the consideration and awarding of a number of Public Works contracts.

Trustee Trauring moved that Resolution Number 2006-20 for the awarding of a contract for Phase 7 renovation of the Fairbanks Building in Lawrence be approved. Trustee Martinez seconded the motion. Chairman Goins asked if anyone in attendance had anything to present to the Board regarding this Resolution, and no one came forward. Chairman Goins called for a vote to approve Resolution Number 2006-20, Approval of a Contract for Phase VII, Region 8, and the motion carried unanimously.

Next, Trustee Trauring moved that Resolution Number 2006-21 for the awarding of 16 contracts for the Marion new construction project. Trustee Jesse R. Brand seconded the motion. Chairman Goins asked if anyone in attendance had anything to present to the Board regarding this Resolution. Trustee Griffin said that he had been contacted by a contractor to ensure fair bidding practices were occurring. Trustee Griffin asked Mr. Tully to clarify that the Rex Collins contractor was in compliance with the bid statutes. Mr. Tully said that the specs require that if a bidder responds to an alternate that applies to his area by leaving it blank (instead of entering a value or using words like “no change”) and if the alternate is taken, then we could reject the bid. Two things occurred in this case, the bid tabulation comparison sheet did not indicate that they did fill in that blank—while they actually did, and secondly, we are not taking that alternate. In both of those cases, they did submit an appropriate bid document. Trustee Griffin affirmed that Mr. Tully’s response answered his question. Trustee Foote added that he was asked to check about the bona fide apprenticeship program and if it was an approved program by the Veterans’ Administration. Trustee Foote asked Mr. Tully what program they are registered with, and Mr. Tully said that they are an ABC Company. They get their apprentices through ABC and they appoint their own apprentices as well. They have 12 or 13 apprentices spread out over 4 years of the apprenticeship program, so they have active apprentices. They also gave us a list of six apprentices that completed the program in the last two years. ABC has certified to us that they have been an active participant in that apprenticeship program for over two years. Secondly, in December 2004, ABC regained veterans’ administration approval. This company’s ability to give apprentices who are veterans GI benefits was approved through the agency. Mr. Tully explained that there was a time period when ABC did not have veterans’ benefits because the companies were not providing documentation to the Department of Veterans’ office in the state of Indiana, and individual companies then got their own veterans’ certification. In December 2004, they were converted back to ABC. With the motion previously made and seconded, Chairman Goins called for a vote to approve
Resolution Number 2006-21, Approval of the Marion New Construction
Project Contracts, Region 6, and the motion carried unanimously.

Finally, Trustee Trauring moved that Resolution Number 2006-22 for the
awarding of 12 contracts for the Madison new construction and renovation
project. Trustee Marchant seconded the motion. Chairman Goins asked if
anyone in attendance had anything to present to the Board regarding this
Resolution, and no one came forward. Chairman Goins called for a vote to
approve Resolution Number 2006-22, Approval of the Madison New
Construction and Renovation Project Contracts, Region 11, and the
motion carried unanimously.

Item 5

Chairman Goins called upon Trustee Bumbleburg to give the Audit
Committee Report. Trustee Bumbleburg referred to the Internal Audit
Charter that had previously been discussed and has been distributed to all
trustees at the request of Trustee Walkup. In the second paragraph, line two,
the words “its senior management and” will be deleted. In the last line of that
same paragraph where it says “operationally, the executive director of internal
audit reports to the president of the College,” the words “president of the
College” will be replaced by “chairman of the audit committee.” Based on
those two changes as amended, Trustee Bumbleburg moved for adoption of
the Internal Audit Charter. Trustee Trauring seconded the motion, and the
motion carried unanimously.

Trustee Bumbleburg referred to the Audit Committee Charter and directed the
trustees to page 2, in fourth paragraph from bottom, the words “be informed
of the appointment, replacement, and reassignment or dismissal of the
executive director of internal audit” will be deleted. Trustee Bumbleburg
moved for approval of the Audit Committee Charter as amended, and Trustee
Trauring seconded the motion. The motion carried unanimously.
BOARD MINUTES
APRIL 13, 2006

G. **OLD BUSINESS:**

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

H. **NEW BUSINESS:**

Chairman Goins called for new business.

- Chairman Goins appointed a nominating committee for the officers of this Board. He asked Trustees Foote, Griffin, and Lueken to serve on the committee, and they agreed. They were charged with bringing forth their nominations for chairman, vice chairman, and secretary at the June Board meeting.

I. **ADJOURNMENT:**

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

STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE

[Signatures]

William R. Goins, Chair
Jerry D. Speidel, Secretary

Dated April 13, 2006

Prepared by Tina S. Phelps, Recording Secretary
Chairman William R. Goins called the May 1, 2006, special meeting teleconference of the State Board of Trustees to order at 9:00 a.m.

A. **ROLL CALL:**

Assistant Secretary Bill Morris called the roll and announced that a quorum of the Board was participating. The following State Trustees participated by telephone:

- Mr. William R. Goins, Chair
- Mr. Thomas J. Trauring, Vice Chair
- Mr. Jerry D. Speidel, Secretary
- Mr. Jesse R. Brand
- Mr. Joseph T. Bumbleburg
- Mr. Marvin E. Foote
- Mr. John P. Griffin
- Mr. Francis H. Lueken, Jr.
- Mr. Lee J. Marchant
- Mr. Louis R. Martinez
- Mr. Mark J. Neff
- Mr. Norman E. Pfau, Jr.
- Mr. V. Bruce Walkup

Trustees unable to participate in the meeting:

- Mr. Lawrence R. Foster, Jr.

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

Assistant Secretary Bill Morris confirmed that notices of the May 1, 2006, special meeting were properly mailed and posted.

Chairman Goins announced that approval of the April 13, 2006, regular meeting minutes, the report of the President, and the report of Board committees would be deferred until the regular meeting on June 15, 2006.

C. **COMMITTEE REPORTS:**

Item 1 Assistant Secretary Bill Morris explained that the action items that the Board are about to consider came up so quickly that the staff has yet had the opportunity brief the committee chairs. With the permission of the committee chairs, he asked the staff to explain the proposed action items. Assistant
Secretary Morris called on Kelly Rickard, Executive Director of Benefits/Safety/Liability Insurance, for an explanation for the proposed resolution concerning the College’s employee health and dental insurance programs. Ms. Rickard explained that staff is requesting approval of a revised resolution because a mistake was made with the list of companies where various carriers provide insurance coverage for our employees. Specifically, the employees at the Marion campus in Region 6 will be moved to the Anthem PPO plan instead of being covered by Advantage HMO and M-Plan HMO as was indicated on the original resolution from April. We had contemplated that change when the renewal numbers from Anthem came in, so there is no change in pricing or premiums; it is just a matter of notifying everyone that the Marion campus is moving to the Anthem plan. Trustee Speidel asked if that was the Anthem HMO, and Ms. Rickard clarified that it was the Anthem PPO. Trustee Trauring moved to approve the revised resolution number 2006-25, and Trustee Bumbleburg seconded the motion. The motion carried unanimously.

Item 2

Chairman Goins called upon Dick Tully, Executive Director of Facilities and Institutional Planning, for a report on behalf of the Buildings, Grounds, and Capital Committee. Mr. Tully reminded the trustees that the airport building in Terre Haute seems to be in the crosshairs of high winds and tornadoes. We have an opportunity because the College (particularly Jeff Pittman and his staff) was looking for replacement space for the airport building anyway. In October, the Board authorized the Foundation to acquire the Brentlinger Building for eventual transfer of the programs and courses of the technology divisions that are currently located at the airport facility. In talking with Commission staff last week and looking at the potential calendar of events, we discovered that if we could secure State Board approval at this meeting and subsequently submit a request to the Commission for Higher Education, State Budget Agency, State Budget Committee and Governor for a special R and R project, we would be able to bid such a project in mid-June and bring the contracts to the Board in August as opposed to waiting until around October. This will give us a head start on being able to start the renovations. This proposed plan was also prompted by conversations with the insurance carrier in determining that they would pay somewhere around $800,000 for us to relocate programs to the Brentlinger Building as opposed to relocating them to temporary structures and then back to the airport facility, when it would be renovated; or for having us simply cancel all the classes and all those programs at least this spring and this summer. We are requesting the Board’s authority to submit a special R and R project to the Commission for Higher Education, State Budget Agency, Governor, and State Budget Committee. By state law, we have to get the approval to spend more than $750,000 of College funds or student fees. We must have this kind of authority before we can enter into any contracts that would renovate the Brentlinger Building for use. The Board will see this project again when we bring the contracts for
renovation for approval. Region 7 Chancellor Jeff Pittman added that many of the programs have been moved to the main campus and the Brentlinger Building in a "make shift" fashion, and they will be able to finish out the spring semester, as well as begin the summer term; so students will be able to continue with their programs. However, they do need to get things set up permanently in the Brentlinger Building. The renovation of the Brentlinger Building should be completed in August, 2007. Trustee Lueken said that the materials refer to the relocation of the aviation program to Fort Wayne, and he asked if that already in the works and how Region 7 feels about that change. Chancellor Pittman said that there have not been jobs for graduates in the Terre Haute community for a while, and there won't likely be jobs for a while to come. The College and the state will be better served to relocate the program in an area and community where there are jobs available for our graduates. Chancellor Pittman has been working closely with Region 3 Chancellor Mark Keen in putting the relocation of the program together. The faculty and students are aware of the change. A transitional program to get the last 12 students through the remainder of the classes this summer and next fall has been created. Trustee Lueken asked if relocating the program would require more building of a different kind in Fort Wayne. Chancellor Pittman said it would be best to talk with Chancellor Keen, but he thought that Fort Wayne already had existing hangars that could house the program initially; but he is not sure of the long range plan. Trustee Griffin said that he, Mr. Tully, and Chancellor Pittman have all spoken to representatives of the Airport Board regarding this project, and he wanted to know how the Airport Board viewed what we are doing. Mr. Tully said that the Airport Authority is not involved in this special R and R request. The insurance funds that will support the R and R comes from the business interruption or temporary relocation of a business provision while permanent repairs are being made to the structure damaged. However, this comes at an opportune time for us as we will be able to be out of the lease by August 31 of this year. On the other issue of repairing the current airport structure, the Airport Authority has been made a loss payee, and they will be the ones eventually doing the repair to the building with whatever the insurance proceeds are. Trustee Griffin asked if the Airport Authority still wanted us out as quickly as possible, and Mr. Tully said that has been the case. Chancellor Pittman said that the Airport Authority is trying to attract more aviation-related industry into that building. Trustee Walkup moved to approve the motion, and Trustee Neff seconded the motion. The motion carried unanimously.

D. **OLD BUSINESS:**

Chairman Goins called for old business.

- Trustee Griffin referred to the subject he brought up at the April Board meeting about the grant monies that the College has administered in the past for the
apprenticeship program/associate degree programs. He said that it is his understanding—based on facts given to him by someone other than people in the union—that in the past, Ivy Tech wrote and administered those grants, the monies went out to the apprenticeship programs, then came back through the apprenticeship programs into the College and funded the associate degree programs for the apprenticeship program which amounted to a large number of FTEs and a fairly substantial amount of money. He said he understands now that the Department of Workforce Development (DWD) has decided that Ivy Tech should no longer write and administer those grants based on the assumption that that may be a conflict of interest. Also, he said he believed that Ivy Tech administered the grants for about 15 percent of the grant total; DWD is now requesting that whoever administers the grants does it on 5 percent of the grant total. The building trades approached Trustee Griffin and said they were concerned that the DWD has not found someone else to write and administer those grants, and his understanding is that time is of the essence on this because it needs to be done in the latter part of May or first part of June. His concern is that if no one writes and administers this grant, what happens to the FTEs that Ivy Tech has enrolled—will the College lose them? He feels that as a trustee, he is a little in the dark as to what is going on, especially since he is getting his information from outside of the College. He is not certain of what is happening; the building trades have expressed concern to him because he is an attorney with the building trades, but he is looking at this from the perspective of a state trustee, and he is concerned about losing approximately $8 million worth of FTE. Is it worthwhile to try to convince the DWD that Ivy Tech should still write and administer those grants? If we can do it for less and in return, get the $8 million in FTE, is that worth it to us? He asked for clarification on this issue. Dr. Rob Jeffs, Vice President for Workforce and Economic Development, said that he spoke with Trustee Griffin on Friday and with the College’s apprenticeship director, Craig Fry, on Friday also. He learned that the two prospects to administer this grant statewide, Associated General Contractors and Top Notch, were not able to do so at this time. The decision for Ivy Tech to not administer the grant was not made by the College, it was made by DWD. There was a perception that in the whole DWD scheme of things—WIBs—there were some regions in the WIBs (Workforce Investment Boards) that served as operator, service provider, and trainer, and they were trying to move away from that as a point of ethics. Last fall, the DWD indicated that Ivy Tech would not administer the grants and that someone else would need to. This decision also applied to the training acceleration grants, which did amount to a sizable amount of money. After the meeting with Trustee Griffin and Mr. Fry, he talked with other College staff and came to the conclusion that we need to talk to DWD Commissioner Stiver and indicate that this difficulty exists and it may be best for the College to continue to administer this grant over the next year or two left in the funding. Mr. Terp has a meeting later today with Commissioner Stiver and will approach him with that concern. Plan B might be that they are administered regionally rather than as a system and a couple of the executive directors of workforce
development in the regions have already begun to talk about what that might mean and how it might go together. Trustee Trauring asked what the perceived conflict of interest issue is and Vice President Jeffs said that the perception is that there is no separation between the people who are getting the money, planning the training, then dispensing the money. The DWD and state government would like to see a greater separation there and greater accountability. Trustee Griffin said that, as someone who has administered grants when he was the commissioner of labor, this is the way it is done. Bob Garton, Vice President for Professional Development, asked if anything was discovered in an audit that we had done wrong, and Vice President Jeffs said that he did not believe the department had been audited. He said chancellors and regional staff provide records regarding attendance and knowledge of whether people are in the program or not, but he is not aware of any audit that has taken place at this time. Vice President Garton suggested that we offer to submit to an audit, and Vice President Jeffs said we will make that suggestion if that is the Board’s decision. Vice President Garton asked when this decision would be made, and Vice President Jeffs said that the grant needs to be applied in the next two to three weeks and that he and Mr. Fry have agreed that Ivy Tech will respond to the RFP. Vice President Garton said that it seemed logical to him that if nobody else is bidding to provide these services and we are willing to open our books, it is common sense that Ivy Tech be the one to administer the grants. Trustee Bumbleburg said he didn’t know if this was in the purview of our audits from the state board of accounts, but his interviews with the chief examiner for education audits never indicated that they have picked up anything that is objectionable about this. Vice President Garton said that was his question—has anyone raised a conflict of interest. Trustee Bumbleburg said that certainly the state board of accounts has not in any of our audits to him. Trustee Lueken asked that all of the state trustees be kept informed as to how this is progressing, and if there is any way that the trustees can contribute to the retention of these funds, and service these apprentices. Chairman Goins asked if any of the trustees had a problem with the College pursuing this. Vice President Jeffs clarified that this means opening the books for an audit and pursuing the continued administration of the grant. Trustee Walkup suggested that we maintain the 15 percent administrative fee also. Vice President Garton said that we may need to look at the charge and willingness to compete if that is a problem. Why should we cut from 15 percent to 5 percent? Mr. Garton’s understanding is that DWD tried this a year ago and decided to stay with Ivy Tech. He suggested we negotiate the rate, and maybe we can compromise between the 5 and 15 percent. Chairman Goins said he was not hearing any trustees’ objections, and the trustees concurred. Chairman Goins announced that by consensus, the staff will propose a continuation of the grant with DWD.

E. NEW BUSINESS:

Chairman Goins called for new business.
Vice President Morris reminded the trustees that consistent with the Trustees’ bylaws and policies, the president is responsible to present his choice for a new chancellor to the Board for their support and confirmation of appointment. He explained that that the chairman and vice chairman of the Region 8 Board were present at the meeting, as well as State Trustee Griffin, who all participated in the process and could support the president’s recommendation. He also reminded the trustees that he performed the staff work and that he would be willing to answer any questions also. President Lamkin said that he directed Bill Morris and Jim Steck to visit Sinclair Community College in Dayton, Ohio, where the candidate is currently employed as a Vice President. He asked Vice President Morris to report on their visit. Vice President Morris reported that he and Jim spent the day in Dayton and talked with 11 staff people, ranging from faculty, student affairs, and students. They also spent 45 minutes with the president of Sinclair Community College. The best testament to his candidacy was that they all hated to see him leave; he has been an asset to their college. The president of Sinclair stated that the candidate is ready to become his own president/chancellor, and it is Sinclair’s loss and Ivy Tech’s gain. Vice President Morris added that staff has completed the legal due diligence: the background check and the criminal and educational have come back clean. Region 8 Board Chairman Ural Smith said that the Region 8 trustees unanimously voted for Dr. Hank Dunn as the next chancellor of Region 8. Region 8 Trustee Ann Shane said that the Region 8 staff very strongly endorses Dr. Dunn’s employment and the regional board feels that if the staff wants him, we need to get him. Accordingly, the Region 8 board enthusiastically endorses Dr. Dunn’s hire. A question was raised about Dr. Dunn’s frequent changes in employment. Vice President Morris said that Dr. Dunn determined early in his career that his ultimate goal was to become a president or chancellor of his own college, so every position change has been to prepare him for that role. Trustee Martinez asked if there were any downsides. Vice President Morris said that everyone spoke to the fact that Dr. Dunn is aggressive, direct and determined and that he will need to keep his eye in the rear view mirror to make sure he has people with him. Trustee Griffin observed that his current college is generously funded and receives $22 million a year without having to ask for it. His concern is that he is in a different world now where he will actually have to ask for funding. Regional trustees Smith and Shane agreed that he could and would adapt. Vice President Morris summarized that President Lamkin has presented Dr. Dunn as his choice for Chancellor of Region 8, the state the trustees have heard from the regional trustees and state trustee who participated in the search process. Trustee Griffin moved for the approval of Dr. Hank Dunn as chancellor of Region 8 – Central Indiana, and Trustee Trauring seconded the motion. The motion carried unanimously.

Chairman Goins thanked everyone for participating and thanked the regional trustees especially for participating.

F. ADJOURNMENT:
BOARD MINUTES OF SPECIAL MEETING
MAY 1, 2006

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

STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE

William R. Goins, Chair

Jerry D. Speidel, Secretary

Dated May 1, 2006

Prepared by Tina S. Phelps, Recording Secretary
APPOINTMENT AND REAPPOINTMENT OF REGIONAL TRUSTEES

RESOLUTION NUMBER 2006-26

WHEREAS, the terms of appointment of certain Regional Trustees expire on June 30, 2006, and

WHEREAS, the Regional Boards have submitted the names of three (3) candidates or more for each trustee vacancy, and

WHEREAS, the individuals listed on the attachment to this resolution have been nominated for appointment or reappointment by their respective Regional Board of Trustees, and

WHEREAS, the individuals listed on the attachment to this resolution meet all of the qualifications to represent the constituencies to which they are assigned;

NOW THEREFORE BE IT RESOLVED, that those individuals named on the attachment to this resolution are hereby appointed or reappointed as trustees for their respective regions, and

FURTHER BE IT RESOLVED, that these Regional Trustees will serve through June 30, 2009, or on the date a successor is duly appointed.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
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As of June 13, 2006
RESOLUTION NUMBER 2006-27

WHEREAS, the 2006-2007 fiscal year internal operating budget for the College needs to be adopted, and

WHEREAS, the general fund unrestricted operating revenue estimate for the 2006-2007 fiscal year, as recommended by the administration, totals $267,578,547 as illustrated on Exhibit "A" as attached hereto, and

WHEREAS, the operating expenditure budget is within this revenue as projected, as illustrated on Exhibit "B" as attached hereto, and

WHEREAS, additional restricted funds are anticipated, and expenditures are to be budgeted within these projections;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees does hereby approve the revenue estimates and budget allocations for the 2006-2007 fiscal year as attached hereto (Exhibits "A" and "B") at a total of $267,578,547 in operations funds, and

BE IT FURTHER RESOLVED, that each budget allocation as hereby approved shall be adjusted by the Vice President for Finance and Treasurer as authorized by the President after the year end 2005-2006 closing to reflect the net revenue and expense budget carry forward of each such unit, and

BE IT FURTHER RESOLVED, the Vice President for Finance and Treasurer, as directed by the President, shall affect a reduction or increase to these budget allocations as necessary in order to maintain a balanced budget for the fiscal year. Such action may occur whenever it is determined that budgeted revenue is not being collected as has been projected, or to adjust for a significant shift in enrollment between regions or sites, or to adjust for changes in other income. All such budget increases or decreases during the fiscal year shall be reported to the Board by the Vice President for Finance and Treasurer at its next meeting subsequent to such action by the President, and

BE IT FURTHER RESOLVED, that the amounts included in the Reserve Accounts may be allocated to the respective regions and sites as needed for the specified purposes by the Vice President for Finance and Treasurer when approved by the President, and

BE IT FURTHER RESOLVED, that the restricted funds awarded to the College may be expended for their intended purposes within the mission of the College, and that addition of such funds will be reported to this Board by the Vice President for Finance and Treasurer at its next board meeting, and

BE IT FURTHER RESOLVED, that debt service funds may be expended for the payment of interest, principal reduction, or other related costs, and that expenditures in excess of $200,000 will be reported to this Board at its next board meeting following such expenditure by the Vice President for Finance and Treasurer, and
BE IT FURTHER RESOLVED, that revenues received from Auxiliary Enterprises, such as the Bookstore Operations, may be expended for their intended purpose of paying for the obligations of the Auxiliary Enterprises Fund, and

BE IT FURTHER RESOLVED, that the Board approves the annual allocation of funds for all utilities, local phone service and postage as well as for the specific contracts listed on Exhibit "C" that obligates the College to expenditures exceeding $200,000 and authorizes the President to enter into such contracts with the vendors listed or with alternative vendors if circumstances warrant, with any such changes reported to the Board at its next regularly scheduled meeting.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
IVY TECH COMMUNITY COLLEGE OF INDIANA

2006-07 TOTAL OPERATING REVENUE ESTIMATE

State Appropriation:

- General - Operating $144,061,470
- Fee Replacement 13,119,374

Total State Appropriation $157,180,844

Student Fees:

- In-State ($3.80 increase) - $87.75 $107,178,957
- Out-of-State ($8.25 increase) - $178.50 1,159,705
- Out-of-State Distance Ed ($5.25 increase) - $114.75 144,167

Total Student Fees 108,482,829

($1,241,582 - R&R Fee Revenue - $1.00/hr. is included in the $108,482,829)

Technology Fee - $40 Per Semester ($5 increase) 6,041,181

Transfers In (Out):

- Lawrenceburg Project - 2006-07 Gaming Revenue* $100,000
- Student Activity ($0.53 Per Semester Hour) (618,426)
- Plant Fund - Parking ($0.75 Per Semester Hour) (875,131)
- Plant Fund - Debt Service (13,119,374)

Total Transfers In (Out) (14,512,931)

Other Revenue:

- Regional Estimates:
  - Miscellaneous Fees $3,071,824
    - Regular Credit 3,721,500
    - Non-Credit & WED Charges 1,493,300
  - College-wide 600,000
  - Investment Income 1,500,000

Total Other Revenue 10,386,624

Total Unrestricted Operating Revenue Estimate $267,578,547
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<td>South Bend</td>
<td>$13,481,246</td>
</tr>
<tr>
<td>Warsaw</td>
<td>1,431,307</td>
</tr>
<tr>
<td>Elkhart</td>
<td>2,245,889</td>
</tr>
<tr>
<td><strong>Total Region (2)</strong></td>
<td><strong>$17,158,442</strong></td>
</tr>
<tr>
<td>Fort Wayne (3)</td>
<td>$21,878,417</td>
</tr>
<tr>
<td>Lafayette (4)</td>
<td>$18,675,205</td>
</tr>
<tr>
<td>Kokomo</td>
<td>$10,526,149</td>
</tr>
<tr>
<td>Logansport</td>
<td>1,869,198</td>
</tr>
<tr>
<td><strong>Total Region (5)</strong></td>
<td><strong>$12,395,347</strong></td>
</tr>
<tr>
<td>Muncie</td>
<td>$13,496,559</td>
</tr>
<tr>
<td>Anderson</td>
<td>4,756,519</td>
</tr>
<tr>
<td>Marion</td>
<td>2,493,385</td>
</tr>
<tr>
<td><strong>Total Region (6)</strong></td>
<td><strong>$20,746,463</strong></td>
</tr>
<tr>
<td>Terre Haute (7)</td>
<td>$17,800,432</td>
</tr>
<tr>
<td>Indianapolis (8)</td>
<td>$41,127,943</td>
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<tr>
<td>Richmond (9)</td>
<td>$8,750,159</td>
</tr>
<tr>
<td>Columbus (10)</td>
<td>$8,303,637</td>
</tr>
<tr>
<td>Madison</td>
<td>$4,767,124</td>
</tr>
<tr>
<td>Lawrenceburg</td>
<td>3,916,924</td>
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<td><strong>Total Region (11)</strong></td>
<td><strong>$8,684,048</strong></td>
</tr>
<tr>
<td>Evansville (12)</td>
<td>$17,219,630</td>
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<tr>
<td>Sellersburg (13)</td>
<td>$10,664,876</td>
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<tr>
<td>Bloomington (14)</td>
<td>$11,968,942</td>
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<tr>
<td>Regional Reserve Accounts</td>
<td></td>
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<tr>
<td><strong>Total Regions</strong></td>
<td><strong>$247,666,593</strong></td>
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<tr>
<td>Contingency</td>
<td>800,000</td>
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<tr>
<td>Information Technology &amp; Security</td>
<td>7,153,819</td>
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<tr>
<td>State-wide Support</td>
<td>11,958,135</td>
</tr>
<tr>
<td><strong>Total College</strong></td>
<td><strong>$267,573,547</strong></td>
</tr>
</tbody>
</table>
ANNUAL CONTRACTS OBLIGATING THE COLLEGE TO EXPENDITURES EXCEEDING $200,000

<table>
<thead>
<tr>
<th>Service/Purpose</th>
<th>Estimated Amount</th>
<th>Current Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Group Medical Insurance</td>
<td>$6,627,456</td>
<td>M-Plan HMO</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>801,494</td>
<td>Humana HMO</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>4,643,893</td>
<td>Anthem PPO – Traditional</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>2,143,740</td>
<td>Advantage Health Plans – HMO</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>884,851</td>
<td>Welborn HMO</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>1,075,932</td>
<td>Arnett HMO</td>
</tr>
<tr>
<td>Employee Group Medical Insurance</td>
<td>1,393,304</td>
<td>SIHO HMO</td>
</tr>
<tr>
<td>Employee Group Dental Insurance</td>
<td>1,160,988</td>
<td>Delta Dental Plan of Indiana – DDP</td>
</tr>
<tr>
<td>Employee Group Dental Insurance</td>
<td>30,340</td>
<td>CompDent - DMO</td>
</tr>
<tr>
<td>Employee Life Insurance</td>
<td>268,389</td>
<td>AUL/One America</td>
</tr>
<tr>
<td>Employee Long Term Disability Insurance</td>
<td>274,523</td>
<td>AUL/One America</td>
</tr>
<tr>
<td>Property, Liability, Auto, Worker’s Comp., Builder’s Risk, Umbrella, Professional Liability Insurances Gregory &amp; Appel Insurance</td>
<td>2,325,000</td>
<td>Department of Workforce Development</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>410,000</td>
<td>Ice Miller Donadio and Ryan</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>375,000</td>
<td>Microsoft Corporation</td>
</tr>
<tr>
<td>College-wide Software Licenses</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

The amount of the contract has not been established as yet; however it may be over $200,000.
APPROVAL OF CONTRACT EXTENSION FOR STATEWIDE MARKETING/ADVERTISING SERVICES

RESOLUTION NUMBER 2006-28

WHEREAS, the College is completing on June 30, 2006, a one-year contract with Asher Agency that was approved by the State Board of Trustees Resolution 2005-31, and

WHEREAS, the College wishes to extend the contract with Asher Agency for marketing and advertising services on a statewide basis, and

WHEREAS, the current contract term allows for the option of two one year renewals, and the College wishes to exercise the first one year renewal option, and

WHEREAS, the cost of the contract extension with Asher Agency for the 2006-2007 fiscal year will not exceed $1,000,000;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees authorize and direct the College President, or his designee, to execute a contract not to exceed the stated amount after the contract has been reviewed by the College’s General Counsel.

State Trustees
Ivy Tech Community College of Indiana

[Signatures]

Dated June 15, 2006
APPROVAL OF CONTRACT AWARD FOR ADVERTISING SERVICES,
REGION 3

RESOLUTION NUMBER 2006-29

WHEREAS, the current advertising contract with the Asher Agency expires June 30, 2006 and

WHEREAS, Region 3 desires to continue with the marketing strategy developed around the statewide and regional campaigns, to avoid additional costs for regional advertising, and

WHEREAS, Region 3 wishes to contract with the Asher Agency for advertising services for the period of July 1, 2006 through June 30, 2007, with an option to renew for two additional one-year terms, and

WHEREAS, the estimated cost of advertising for the 2006-2007 fiscal year will not exceed $213,500 to provide electronic media, publications, outdoor, print advertising and design services; and

WHEREAS, the projected price increase for the second and third option years is expected to be no more than a 15% annual increase in cost, and if the cost for the option years exceeds the anticipated increase, the region will request State Board approval, and

WHEREAS, the Region 3 Board of Trustees recommended approval of the execution of the contract with the Asher Agency at the June 12, 2006 meeting;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees authorize and direct the College President, or his designee, to execute a contract under the stated terms, not to exceed the stated amount, after the contract has been reviewed by College General Counsel.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF ARRANGEMENT WITH INDIANA HIGHER EDUCATION TELECOMMUNICATION SYSTEM (IHETS) FOR COLLEGE DATA, VIDEO, AND INTERNET CIRCUITS AND SERVICES

RESOLUTION NUMBER 2006-30

WHEREAS, the College wide area network is used to connect College campuses with the central computing resources in Indianapolis to student and administrative systems, and to connect students to distance education classes offered by Ivy Tech campuses or by other institutions; and

WHEREAS, the wide area network is used to connect students, faculty, and staff to the vast resources available on the internet; and

WHEREAS, the College is currently reviewing alternatives for wide area networking, but has not completed its analysis at this time; and

WHEREAS, the wide area network services currently provided by IHETS is meeting the College's current needs; and

WHEREAS, the request is made to continue the arrangement with IHETS through June 30, 2007 at an estimated cost not to exceed $700,000.

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby authorize and direct the College President, or his designee, to execute payments in the stated amount to Indiana University, fiscal agent for the Indiana Higher Education Telecommunication System.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF FACILITIES MANAGEMENT CONTRACT, REGION 8

RESOLUTION NUMBER 2006-31

WHEREAS, Region 8 entered into a contract in the amount of $174,000 beginning in May 2006, with Scott, Hilliard, Kosene, and

WHEREAS, Region 8 wishes to contract with Scott, Hilliard, Kosene for facilities management services in the amount of $65,000 for one year, July 1, 2006, to June 30, 2007, and

WHEREAS, the total payments for these two contracts totals $239,000, and

WHEREAS, the Region 8 Board of Trustees has previously approved both contracts;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees authorize and direct the College President, or his designee, to execute a contract with Scott, Hilliard Kosene Construction Management and Real Estate Development Services Company, Inc. in the amount and under the conditions stated after review by the College General Counsel.

State Trustees
Ivy Tech Community College of Indiana

[Signatures]
William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF ADDITIONAL FUNDS FOR THE CUSTODIAL SERVICES CONTRACT DUE TO ADDING ADDITIONAL SPACE AT REGION 12

RESOLUTION NUMBER 2006-32

WHEREAS, at the June 2005 State Board of Trustees meeting, Resolution 2005-23 was approved authorizing Region 12 to enter into a two year contract for custodial services in the amount of $576,580 plus extra annual services, and

WHEREAS, the region has three areas included in the contract, the Main campus, Tri-State Building, and the First Avenue Plaza, and

WHEREAS, due to the early completion of Phase II new construction at the Main campus, the Region has added 66,792 square feet at an additional cost of $13,024 for FY 05-06 and $85,401 for FY 06-07, plus an estimated amount of $12,000 for cleaning space that could be occupied at the Plaza at a later date in FY 06-07, and

WHEREAS, the per square foot charge for the new space is the same as the charge for the existing space, and

WHEREAS, the total cost for the two year period will now equal $687,005 plus extra annual services provided during both years at the hourly rate bid, and

WHEREAS, the Region 12 Board of Trustees has approved the additional funding for the contract for both fiscal years at the May 22, 2006 meeting;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees authorizes an increase to the original contract with Hasgoe Cleaning Systems in the amounts stated for the 2005-2006 and 2006-2007 fiscal years.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF PURCHASE OF ASSESSMENT INSTRUMENT FROM AMERICAN COLLEGE TESTING (ACT)

RESOLUTION NUMBER 2006-33

WHEREAS, the College uses assessment/testing products exclusively from the American College Testing (ACT) program, and

WHEREAS, these products are uniquely designed by ACT and there is no other vendor for these assessment/testing instruments, and

WHEREAS, the statewide level of purchases reached an annual cost $189,960 in the 2005-2006 fiscal year, and

WHEREAS, a recommendation is currently under consideration to adopt another ACT product as an exit exam to measure the competency levels of Ivy Tech graduates, that if adopted, would likely increase the cost system-wide by an additional $75,000-80,000 per year, and

WHEREAS, this dollar level of purchases would increase the cost of a total annual order from ACT to over $200,000;

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees authorize and direct the College President, or his designee, to approve the ACT purchases in the amount and under the conditions stated.

State Trustees
Ivy Tech Community College of Indiana

[Signatures]
William R. Goins, Chairman
Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF NEW PROGRAMS

RESOLUTION NUMBER 2006-34

WHEREAS, Ivy Tech Community College has identified the importance of providing educational opportunities for its students, and

WHEREAS, Ivy Tech has identified needs for degree programs in the service regions; and

WHEREAS, the Planning and Education Committee of the State Trustees has reviewed the proposed programs and recommended their approval;

NOW THEREFORE BE IT RESOLVED that the State Trustees do hereby approve the College to offer the new programs listed in the addendum, and

FURTHER BE IT RESOLVED that the State Trustees authorize that the proposals be submitted to the Commission for Higher Education for appropriate action.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
ADDENDUM TO RESOLUTION NUMBER 2006-34

The following new certificates were approved for each of the 23 campuses:

Automotive Electrical/Electronics
Bookkeeping
Brakes and Suspension
Construction Technician
Database
Engine Performance
Fluid Power
Fundamental Payroll
Heating and Air Conditioning
Human Resource Management
Java Programming
Machine Tool
Network Administration
PC Support and Administration
Power Train
Routing and Switching
Structural Welding
Systems Security
Visual Programming
Web Management

The following program and degree expansions were approved:

AAS in Paramedic Science – Region 1, Gary and Michigan City
TC and AAS in Public Safety – Region 6, Muncie
AAS and AS in Criminal Justice – Region 6, Marion and Anderson
AS and TC in Early Childhood Education – Region 5, Logansport
TC in Automotive Services -- Region 2, South Bend, Region 5, Kokomo, and Region 9, Richmond
APPROVAL OF THE AWARDING OF THE HIGH SCHOOL DIPLOMA BY IVY TECH COMMUNITY COLLEGE

RESOLUTION NUMBER 2006-35

WHEREAS, the State of Indiana is seeking to improve the educational levels of Hoosiers by making available opportunities for individuals to earn a high school diploma while earning credits toward a college degree, and

WHEREAS, the College has been identified as an Indiana institution that may provide alternative high school completion options for students currently in high school and for adults, and

WHEREAS, the granting of certifications of achievement and degrees is one of the powers and duties of the Ivy Tech Community College State Board of Trustees, and

WHEREAS, the State Board accepts responsibility for awarding the high school diploma through Ivy Tech Community College, consistent with House Enrolled Act 1347,

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby approve the College to offer a high school diploma.

FURTHER BE IT RESOLVED, that the State Trustees authorize that College representatives work with state educational and policy entities to develop further plans for meeting the expectations of HB 1347.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF THE PRIORITY RANKING MEASURES FOR CAPITAL PROJECTS FOR THE 2007-09 BIENNIA AND SUBSEQUENT BIENNIA

RESOLUTION NUMBER 2006-36

WHEREAS, as part of the biennial budget request process, the College is required by the Indiana General Assembly to submit a request for Capital Funds with projects placed in priority order, and

WHEREAS, the State Trustees and its Buildings, Grounds, and Capital Committee have spent considerable time reviewing and revising a set of measures used to assist the State Trustees in making their ranking decision for the 2007-09 Capital Budget Request, and

WHEREAS, the State Trustees wish to formally adopt said measures as used for the 2007-09 Capital Budget Request and to be used for subsequent biennial Capital Budget Requests;

NOW THEREFORE BE IT RESOLVED, that the State Trustees of Ivy Tech Community College of Indiana do hereby adopt the attached “Ivy Tech Community College of Indiana Description Of Need And Support And Readiness Measures To Be Used By The Buildings, Grounds, And Capital Committee For The 2007-09 Capital Budget Request” used in ranking the College’s 2007-09 capital projects, and

FURTHER BE IT RESOLVED, that the State Trustees do hereby adopt said measures for ranking projects in future biennia by updating said measures using then current data.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
IVY TECH COMMUNITY COLLEGE OF INDIANA
DESCRIPTION OF NEED AND SUPPORT AND READINESS MEASURES
TO BE USED BY THE BUILDINGS, GROUNDS, AND CAPITAL COMMITTEE
FOR THE 2007-09 CAPITAL BUDGET REQUEST

Description of Need Measures:
1. Latest Project Biennium - The latest biennium for which the site received a capital project or major lease approval was determined. The site with the oldest action was given the highest rank (1).
2. Capital investment, total capital dollars within the last 20 years - The total funds approved for a site, capital and capital value of a lease, was determined. The site with the least capital dollars over the last 20 years was given the highest rank (1).
3. Capital investment, total capital dollars per fall 2005 FTE - The total capital dollars from the previous item was divided by the site's fall 2005 full-time-equivalent enrollment. The site with the least dollars per FTE was given the highest rank (1). Measures 1, 2, and 3 will be averaged to form a single measure since separately they would constitute 25 percent of the need measures and therefore give undue weight to these three equity measures.
4. ASF/FTE - The site's assignable square feet (ASF) was divided by the site's fall 2005 full-time-equivalent enrollment (FTE). The site with the smallest ASF/FTE was given the highest rank (1).
5. Condition of space, % satisfactory or better - The percent of space at each site that is reported to the Commission for Higher Education as satisfactory or better was determined. Space identified as to be terminated was reclassified as satisfactory or in need of renovation. The site with the least percent of satisfactory or better space was given the highest rank (1).
6. Control of space, % owned & long-term lease - The percent of space at each site that is owned by the College or for which the College has a long-term lease was determined. The site with the least percent of owned or long-term lease space was given the highest rank (1).
7. Utilization of space, ASF/WSCH classroom - The ratio of assignable square feet to weekly student contact hours (WSCH) for classrooms was determined for each site. The site with the best use of classroom space (the lowest ASF/WSCH) was given the highest rank (1).
8. Utilization of space, ASF/WSCH teaching lab - The ratio of assignable square feet to weekly student contact hours for teaching labs was determined for each site. The site with the best use of teaching lab space (the lowest ASF/WSCH) was given the highest rank (1).
9. Fall FTE enrollment change, fall 2001 to fall 2005, actual change - The amount of full-time-equivalent enrollment change for the site between fall 2001 and 2005 was determined. The site with the most change was given the highest rank (1).
10. Projected fall FTE enrollment change, fall 2005 to fall 2015, actual change - The amount of full time-equivalent enrollment change for the site between fall 2005 and fall 2015 projected enrollment was determined. The site with the most projected change was given the highest rank (1).
11. Enrollment penetration, fall 2005 FTE penetration - The ratio of the site's fall 2005 full-time-equivalent enrollment to the 2004 estimated population in the site's county was determined. The site with the lowest ratio (penetration) was given the highest rank (1).
12. Projected population change, 2004 to 2015, actual change - The projected population growth for the site's county between 2004 and 2015 was obtained and the amount of change determined. Note that the projected year will always be at least 10 years but less than 15 years out. The site with the most projected change was given the highest rank (1).
Description of Support and Readiness Measures:
1. Planning readiness - For each project, the relative level of site and project planning readiness was determined on three levels of site planning and four levels of project planning. The project with the most complete planning readiness was given the highest rank (1).

The following measure will only be applied to the top six or seven projects based on the previous measures.

2. Current community support – The measure will quantify, through a feasibility study (starting for the 2009-11 biennium) and the amount of funding support (both onetime and recurring) the community commits to the project. The project with the greatest amount of support was given the highest rank (1).
APPROVAL OF THE CURRENT COMMUNITY SUPPORT MEASURE FOR CAPITAL PROJECTS FOR THE 2009-11 BIENNium AND SUBSEQUENT BIENNIA

RESOLUTION NUMBER 2006-37

WHEREAS, as part of the biennial budget request process, the College is required by the Indiana General Assembly to submit a request for Capital Funds with projects placed in priority order, and

WHEREAS, the State Trustees and its Buildings, Grounds, and Capital Committee have spent considerable time reviewing and revising a set of measures used to assist the State Trustees in making their ranking decision for the 2007-09 Capital Budget Request, and

WHEREAS, the 2007-09 measures noted that the community support measure would use a project feasibility study starting with the 2009-11 biennium, and

WHEREAS, such a measure has been developed and more completely defined, and

WHEREAS, the State Trustees wish to formally adopt said community support measure for use for the 2009-11 Capital Budget Request and subsequent biennial Capital Budget Requests;

NOW THEREFORE BE IT RESOLVED, that the State Trustees of Ivy Tech Community College of Indiana do hereby adopt the attached “Ivy Tech Community College Of Indiana Community Support Measure For The 2009-11 And Subsequent Biennia Capital Budget Request Project Rankings” used in ranking the College’s 2007-09 capital projects, and

FURTHER BE IT RESOLVED, that the State Trustees do hereby adopt said measure for ranking projects in future biennia by updating said measures using then current data.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
The following measure will only be applied to the top six or seven projects based on the other Need and Support and Readiness measures.

Current community support – The total funds committed for a project will be determined by adding the following three funding support items:

1. Cash on hand or pledged in such a way that there is a reasonable expectation that it will be available at the time the project is approved by the General Assembly and released to proceed,
2. Appraised value of a land gift less any unusual site development costs as determined through a feasibility study, and
3. Recurring cash for the first five years of building operations for the proposed project pledged in such a way that there is a reasonable expectation that the funds will be available at the time the College takes possession of the project after construction or renovation, if any, is completed.

The project with the greatest total amount of dollar funding support will be given the highest rank (1).

For land to be considered for the community support measure the land must (as determined through a feasibility study):

- Contain sufficient buildable acreage for the projected enrollment at the site (however, for a site at which the proposed project is the first new construction project, at least 15 buildable acres, the amount needed for a terminal 40,000 gross square foot building and associated site development, must be given to be counted),
- Be buildable on the land (no wetlands within the needed amount of acreage, no zoning restrictions detrimental to College use, clear title, clean Phase I environmental study, etc.), and
- Be relatively flat to the extent that fill will not need to be exported or imported (i.e. all fill needed is available on site or excess fill can be used at the site).
APPROVAL TO PURCHASE 0.196 ACRES OF IMPROVED LAND AT 603 COLONIAL AVENUE IN EVANSVILLE, REGION 12

RESOLUTION NUMBER 2006-38

WHEREAS, the long-range planning for the Evansville campus includes the need for additional facilities and parking and therefore the acquisition of properties in the vicinity of the campus, and

WHEREAS, one of the properties within the Region’s land acquisition plan at 603 Colonial Avenue is available for purchase from its owner for $98,000, and

WHEREAS, the Region 12 Board of Trustees has requested that the State Trustees purchase said improved land;

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby approve the acquisition of 603 Colonial Avenue in Evansville for $98,000, and

FURTHER BE IT RESOLVED, that the State Trustees do hereby authorize and direct the President and any other appropriate College Officer to enter into said purchase of said property, after the documents have been approved by the College Interim General Counsel.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL TO EXERCISE A RENEWAL OPTION FOR THE TUCKER AND JONES BUILDINGS IN MARION, REGION 6

RESOLUTION NUMBER 2006-39

WHEREAS, the College has been leasing the Tucker and Jones buildings in Marion since 1995, and

WHEREAS, the College has a continuing commitment to the delivery of instructional programs in the Marion area that are housed in said buildings, and

WHEREAS, the current lease period expires August 31, 2006, and

WHEREAS, the method of setting the rent has been established in the current lease by increasing the current rent of $444,376 by the one-year change in the Consumer Price Index as of August 2006 which would result in an estimated rent no greater than $462,150, and

WHEREAS, the Region 6 Board of Trustees has requested the exercise of this renewal option, and

WHEREAS, the rent for the option period is greater than $200,000 and therefore requires State Trustee approval;

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby authorize and direct the President and any other appropriate College Officer to exercise the renewal option for said lease agreement and to execute all necessary documents for the above stated one-year renewal option at a rent of $444,376 increased by the one-year change in the Consumer Price Index for an estimated rent not to exceed $462,150 per year after the documents have been approved by the College Interim General Counsel.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF A LEASE FOR AND RENOVATION OF SPACE IN THE INTERNATIONAL MEDICAL GROUP BUILDING AT 2960 NORTH MERIDIAN STREET IN INDIANAPOLIS, REGION 8

RESOLUTION NUMBER 2006-40

WHEREAS, the College needs additional space to house its central office and Region 8 Workforce and Economic Development (WED) departments, and

WHEREAS, the College has a continuing commitment to the delivery of WED training and services in Indiana, and

WHEREAS, a lease for 15,535 square feet in the IMG Building, including improvements to be made to that space, has been negotiated with the International Medical Group, Inc., and

WHEREAS, the initial lease period is greater than two years and the rent for the initial period is greater than $200,000 and the renovations needed are greater than $200,000 and therefore require State Trustee approval;

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby authorize and direct the President and any other appropriate College Officer to negotiate a lease agreement with said landlord of said building and to execute all necessary documents for the above stated lease at a rental not to exceed the following amounts: year 1 - $126,610.20, year 2 - $134,377.80, year 3 - $142,145.28, year 4 - $149,912.76, and year 5 - $149,999.04; and for the College’s share of annual operating costs after the documents have been approved by the College Vice President and General Counsel, and

FURTHER BE IT RESOLVED, that the owner is authorized to renovate the College’s space in said building according to College specifications for a sum not to exceed $217,490 and that the College is authorized to reimburse said firm for the amount of work done based on reports of the extent and value of the renovation work completed.

State Trustees
Ivy Tech Community College of Indiana

William R. Goins, Chairman

Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF A THIRD TECHNICAL AMENDMENT TO RESOLUTION 2001-54 FOR THE APPROVAL OF A CONSTRUCTION MANAGEMENT FIRM FOR THE VALPARAISO NEW CONSTRUCTION PROJECT, REGION 1

RESOLUTION NUMBER 2006-41

WHEREAS, on August 16, 2001, in Resolution 2001-54, the State Trustees approved The Skillman Corporation as the construction manager for the Valparaiso project, and

WHEREAS, a contract with The Skillman Corporation for the entire project was negotiated and executed subsequent to State Trustee approval setting the amount of the construction management contract for Phase 1 of the project only (under certain assumptions of scope, start date, and duration), and

WHEREAS, said contract was amended by State Trustee Resolution 2004-55 that increased the amount of the contract for Phase 1 for reimbursables and general conditions amounts not specified in the original contract, and said contract was further amended by State Trustee Resolution 2005-85 to include the Phase 2 work at $884,246 for staff time, fees, and reimbursables, and

WHEREAS, a budget and encumbrance for general condition items assigned to the Skillman Corporation for this project needs to be set at $200,000;

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby amend Resolution 2001-54 to establish an additional encumbrance of $200,000 for the Skillman Corporation from which they can be reimbursed, at actual costs, for general conditions items that they are directed to do, and

FURTHER BE IT RESOLVED, that the State Trustees do hereby authorize and direct the president and any other appropriate College Officer to execute an amendment to the contract with said firm for the above stated increases after the document has been approved by the College Interim General Counsel.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
APPROVAL OF THE VALPARAISO PHASE 2 NEW CONSTRUCTION PROJECT
CONTRACTS, REGION 1

RESOLUTION NUMBER 2006-42

WHEREAS, the 2005 General Assembly approved bonding authority in the amount of
$20,000,000 for the Valparaiso Phase 2 new construction project, and

WHEREAS, the bid process has been completed in accordance with applicable statutes, Indiana
Case Law and College procedures including State Trustee Resolution 2004-32 regarding the use
of apprentices, and

WHEREAS, the Region 1 Board of Trustees has reviewed and made recommendations on 15
contract awards;

NOW THEREFORE BE IT RESOLVED, that the State Trustees do hereby approve the above
stated project and approve the following contract awards:

<table>
<thead>
<tr>
<th>Category</th>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General trades</td>
<td>R. Harker Construction Co., Inc.</td>
<td>$ 3,095,000</td>
</tr>
<tr>
<td>Precast concrete</td>
<td>High Concrete Technology, LLC.</td>
<td>992,000</td>
</tr>
<tr>
<td>Structural steel</td>
<td>Art Iron, Inc.</td>
<td>1,543,000</td>
</tr>
<tr>
<td>Roofing</td>
<td>Dudeck Roofing &amp; Sheet Metal, Inc.</td>
<td>329,920</td>
</tr>
<tr>
<td>Aluminum entrances and glass</td>
<td>Meyer Glass &amp; Mirror Co., Inc.</td>
<td>311,765</td>
</tr>
<tr>
<td>Masonry</td>
<td>Gough, Inc.</td>
<td>763,000</td>
</tr>
<tr>
<td>Drywall and acoustics</td>
<td>The Pangere Corporation</td>
<td>1,349,432</td>
</tr>
<tr>
<td>Decorative roofing</td>
<td>Midland Engineering Company</td>
<td>83,130</td>
</tr>
<tr>
<td>Painting and wall covering</td>
<td>Bowen’s Decorating Service, Inc.</td>
<td>145,061</td>
</tr>
<tr>
<td>Flooring</td>
<td>Master Tile, Inc.</td>
<td>543,400</td>
</tr>
<tr>
<td>Casework</td>
<td>Harry J. Kloeppe! &amp; Associates, Inc.</td>
<td>296,970</td>
</tr>
<tr>
<td>HVAC systems</td>
<td>Delco, Inc.</td>
<td>2,599,300</td>
</tr>
<tr>
<td>Fire suppression</td>
<td>Shambaugh &amp; Sons, LP</td>
<td>287,100</td>
</tr>
<tr>
<td>Plumbing</td>
<td>Mechanical Concepts, Inc.</td>
<td>598,506</td>
</tr>
<tr>
<td>Electrical</td>
<td>Continental Electric Co., Inc.</td>
<td>2,133,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 15,070,584</td>
</tr>
</tbody>
</table>

2
FURTHER BE IT RESOLVED, that the State Trustees do hereby authorize and direct the President and any other appropriate College Officer to negotiate and execute contracts with said firms after the documents have been approved by the College Interim General Counsel.

State Trustees
Ivy Tech Community College of Indiana

[Signature]
William R. Goins, Chairman

[Signature]
Jerry D. Speidel, Secretary

Dated June 15, 2006
This item will approve 15 construction contracts for the Valparaiso new construction project.

As you know, 2005 General Assembly approved bonding authority in the amount of $20,000,000 for the new construction project in Valparaiso.

Bids were received from 49 contractors in 15 bid categories (63 total bids). Three combination bids were received. In none of the cases were the combination bids lower than the sum of the separate lowest bids in the respective categories covered by the combination. Therefore, no combination bids are being recommended. Two (2) contractors withdrew their bids soon after the bid opening citing a miscalculation in their bid. In the masonry bid category, the two lowest bidders submitted exactly the same bid amount. However, one of the bidders qualified his bid regarding his ability to meet the schedule and therefore was rejected.

Bids for this project have been evaluated and the Region 1 Board of Trustees has recommended $15,070,584 of contracts for the project and 15 prime contractors.

All of the lowest bidders have been judged to meet the requirements of State Trustee Resolution 2004-32.

Eight of the recommended contractors (R. Harker Construction Co., Inc. - Crown Point, Meyer Glass & Mirror Co. Inc. and Delco Inc. - Michigan City, Gough, Inc. and Master Tile Inc. – Merrillville, The Pangere Corporation, Mechanical Concepts, Inc. and Continental Electric Co. Inc. – Gary) are located in Northwest Indiana. Two of the recommended contractors are relatively close by in South Bend/Mishawaka: Dudeck Roofing & Sheet Metal Inc. and Shambaugh & Sons LLC. St. Joe Valley Structural, Inc. (Elkhart) will be doing the actual structural steel fabrication for the parent company Art Iron, Inc. – Toledo, OH.

The recommended contracts, including the lowest and best bids meeting all State Trustee requirements including Resolution 2004-32, are as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General trades</td>
<td>R. Harker Construction Co., Inc.</td>
<td>$3,095,000</td>
</tr>
<tr>
<td>Precast concrete</td>
<td>High Concrete Technology, LLC.</td>
<td>992,000</td>
</tr>
<tr>
<td>Structural steel</td>
<td>Art Iron, Inc.</td>
<td>1,543,000</td>
</tr>
<tr>
<td>Roofing</td>
<td>Dudeck Roofing &amp; Sheet Metal, Inc.</td>
<td>329,920</td>
</tr>
<tr>
<td>Aluminum entrances and glass</td>
<td>Meyer Glass &amp; Mirror Co., Inc.</td>
<td>311,765</td>
</tr>
<tr>
<td>Masonry</td>
<td>Gough, Inc.</td>
<td>763,000</td>
</tr>
<tr>
<td>Drywall and acoustics</td>
<td>The Pangere Corporation</td>
<td>1,349,432</td>
</tr>
<tr>
<td>Decorative roofing</td>
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<td>83,130</td>
</tr>
<tr>
<td>Painting and wall covering</td>
<td>Bowen's Decorating Service, Inc.</td>
<td>145,061</td>
</tr>
<tr>
<td>Flooring</td>
<td>Master Tile, Inc.</td>
<td>543,400</td>
</tr>
<tr>
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<td>Harry J. Kloeppe &amp; Associates, Inc.</td>
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</tr>
<tr>
<td>HVAC systems</td>
<td>Delco, Inc.</td>
<td>2,599,300</td>
</tr>
<tr>
<td>Fire suppression</td>
<td>Shambaugh &amp; Sons, LP</td>
<td>287,100</td>
</tr>
<tr>
<td>Plumbing</td>
<td>Mechanical Concepts, Inc.</td>
<td>598,506</td>
</tr>
<tr>
<td>Electrical</td>
<td>Continental Electric Co., Inc.</td>
<td>2,133,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$ 15,070,584</strong></td>
</tr>
</tbody>
</table>

Funding will come from the Valparaiso Phase 2 new construction project.

Action requested: Approval of Resolution 2006-42 for 15 construction contracts for the Valparaiso new construction project.
**IVY TECH COMMUNITY COLLEGE OF INDIANA**

**STATE BOARD REPORT FOR MONTH ENDING APRIL 30, 2006**

**I. REVENUE REPORT**

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget Original</th>
<th>Budget Adjusted</th>
<th>Revenue To Date</th>
<th>Budget Variance Compared to Adj. Budget (To Be Collected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$111,751,297</td>
<td>$113,917,993</td>
<td>$122,703,975</td>
<td>$ (8,785,982) (7.71)</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>150,344,707</td>
<td>150,344,707</td>
<td>126,945,437</td>
<td>23,399,270 15.56</td>
</tr>
<tr>
<td>Workforce Certification</td>
<td>837,000</td>
<td>837,000</td>
<td>(417,500)</td>
<td>1,254,500 149.88</td>
</tr>
<tr>
<td>Investment</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>2,852,833</td>
<td>(1,852,833) (185.28)</td>
</tr>
<tr>
<td>Budgeted Transfers In/(Out)</td>
<td>(13,624,939)</td>
<td>(13,656,486)</td>
<td>(12,867,365)</td>
<td>(789,121) 5.78</td>
</tr>
<tr>
<td>Other (Miscellaneous)</td>
<td>2,291,043</td>
<td>2,380,952</td>
<td>2,808,352</td>
<td>(427,400) (17.95)</td>
</tr>
<tr>
<td>Total</td>
<td>$252,599,108</td>
<td>$254,824,166</td>
<td>$242,025,732</td>
<td>$12,798,434 5.02</td>
</tr>
</tbody>
</table>

**II. EXPENDITURE REPORT BY MAJOR OBJECT CLASSIFICATION**

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget Original</th>
<th>Budget Adjusted</th>
<th>Expenditures/Encumbrances</th>
<th>Available Balance Compared to Adj. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>$176,399,805</td>
<td>$180,632,395</td>
<td>$166,345,751</td>
<td>$14,286,644 7.91</td>
</tr>
<tr>
<td>General Supplies &amp; Expense</td>
<td>60,980,197</td>
<td>65,643,715</td>
<td>56,556,129</td>
<td>9,287,586 14.11</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,344,840</td>
<td>5,384,840</td>
<td>5,939,319</td>
<td>(554,479) (10.30)</td>
</tr>
<tr>
<td>Facilities Leases</td>
<td>4,205,000</td>
<td>4,661,475</td>
<td>4,423,018</td>
<td>238,457 5.12</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>5,669,286</td>
<td>40,750,212</td>
<td>10,781,810</td>
<td>29,968,402 73.54</td>
</tr>
<tr>
<td>Total</td>
<td>$252,599,108</td>
<td>$297,272,637</td>
<td>$244,046,027</td>
<td>$53,228,610 17.90</td>
</tr>
</tbody>
</table>

**Note:** Throughout the fiscal year the total of the revenue budget plus the 2004-05 carry forward may differ from the expenditure budget due to transfers to/from other funds.
## IVY TECH COMMUNITY COLLEGE OF INDIANA

### 2005-06 STATE BOARD REPORT FOR MONTH ENDING APRIL 30, 2006

#### OPERATING BUDGETS BY LOCATION

<table>
<thead>
<tr>
<th>Regions/Sites</th>
<th>Regional Board Approved Budget</th>
<th>Gross Carry Forward</th>
<th>Enrollment Adjustment</th>
<th>Economic Develop. Revolving Fund</th>
<th>Transfers and Other Adjustments</th>
<th>Total Adjusted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary</td>
<td>$10,833,556</td>
<td>-</td>
<td>$2,750,780</td>
<td>$(231,826)</td>
<td>-</td>
<td>$12,682,982</td>
</tr>
<tr>
<td>Valparaiso</td>
<td>4,510,749</td>
<td>-</td>
<td>643,781</td>
<td>(58,017)</td>
<td>-</td>
<td>4,252,444</td>
</tr>
<tr>
<td>East Chicago</td>
<td>3,112,696</td>
<td>-</td>
<td>69,968</td>
<td>(47,201)</td>
<td>-</td>
<td>3,080,102</td>
</tr>
<tr>
<td>Michigan City</td>
<td>2,311,840</td>
<td>-</td>
<td>(47,854)</td>
<td>(200,322)</td>
<td>-</td>
<td>2,494,722</td>
</tr>
<tr>
<td><strong>Total Region (1)</strong></td>
<td><strong>$20,768,841</strong></td>
<td>-</td>
<td><strong>$3,416,665</strong></td>
<td><strong>(537,167)</strong></td>
<td>-</td>
<td><strong>$23,668,059</strong></td>
</tr>
<tr>
<td>South Bend</td>
<td>$13,083,894</td>
<td>-</td>
<td>$1,351,688</td>
<td>$(243,296)</td>
<td>-</td>
<td>14,267,187</td>
</tr>
<tr>
<td>Warsaw</td>
<td>1,371,800</td>
<td>-</td>
<td>201,697</td>
<td>(64,234)</td>
<td>-</td>
<td>10,763</td>
</tr>
<tr>
<td>Elkhart</td>
<td>2,201,662</td>
<td>-</td>
<td>958,303</td>
<td>25,278</td>
<td>-</td>
<td>3,110,715</td>
</tr>
<tr>
<td><strong>Total Region (2)</strong></td>
<td><strong>$16,657,356</strong></td>
<td>-</td>
<td><strong>$2,551,688</strong></td>
<td><strong>(282,360)</strong></td>
<td>-</td>
<td><strong>$18,876,400</strong></td>
</tr>
<tr>
<td>Fort Wayne (3)</td>
<td>21,229,729</td>
<td>-</td>
<td>3,532,081</td>
<td>3,351</td>
<td>-</td>
<td>24,816,825</td>
</tr>
<tr>
<td>Lafayette (4)</td>
<td>17,830,409</td>
<td>-</td>
<td>2,291,398</td>
<td>19,738</td>
<td>-</td>
<td>19,910,158</td>
</tr>
<tr>
<td>Kokomo</td>
<td>9,776,738</td>
<td>-</td>
<td>492,840</td>
<td>231,433</td>
<td>224,000</td>
<td>263,771</td>
</tr>
<tr>
<td>Logansport</td>
<td>1,782,191</td>
<td>-</td>
<td>274,575</td>
<td>(13,980)</td>
<td>-</td>
<td>2,045,631</td>
</tr>
<tr>
<td><strong>Total Region (5)</strong></td>
<td><strong>$11,558,929</strong></td>
<td>-</td>
<td><strong>$767,415</strong></td>
<td><strong>217,447</strong></td>
<td><strong>224,000</strong></td>
<td><strong>$264,421</strong></td>
</tr>
<tr>
<td>Muncie</td>
<td>13,740,749</td>
<td>-</td>
<td>1,516,864</td>
<td>121,575</td>
<td>-</td>
<td>14,583,345</td>
</tr>
<tr>
<td>Anderson</td>
<td>3,455,635</td>
<td>-</td>
<td>(180,772)</td>
<td>(59,095)</td>
<td>-</td>
<td>4,372,908</td>
</tr>
<tr>
<td>Marion</td>
<td>2,591,005</td>
<td>-</td>
<td>530,602</td>
<td>(121,202)</td>
<td>-</td>
<td>2,914,405</td>
</tr>
<tr>
<td><strong>Total Region (6)</strong></td>
<td><strong>$19,787,389</strong></td>
<td>-</td>
<td><strong>$1,866,694</strong></td>
<td><strong>(58,722)</strong></td>
<td>-</td>
<td><strong>$21,869,988</strong></td>
</tr>
<tr>
<td>Terre Haute (7)</td>
<td>16,494,702 $104,566</td>
<td>-</td>
<td>2,870,491</td>
<td>416,801</td>
<td>-</td>
<td>19,901,212</td>
</tr>
<tr>
<td>Indianapolis (8)</td>
<td>39,347,540</td>
<td>-</td>
<td>4,309,391</td>
<td>394,632</td>
<td>-</td>
<td>44,161,155</td>
</tr>
<tr>
<td>Richmond (9)</td>
<td>8,148,406</td>
<td>-</td>
<td>1,347,351</td>
<td>373,503</td>
<td>-</td>
<td>9,520,909</td>
</tr>
<tr>
<td>Columbus (10)</td>
<td>7,651,226</td>
<td>-</td>
<td>740,154</td>
<td>205,151</td>
<td>-</td>
<td>8,624,892</td>
</tr>
<tr>
<td>Madison</td>
<td>4,631,152</td>
<td>-</td>
<td>1,313,641</td>
<td>(51,595)</td>
<td>-</td>
<td>5,897,602</td>
</tr>
<tr>
<td>Lawrenceburg</td>
<td>3,187,860</td>
<td>-</td>
<td>1,098,249</td>
<td>85,608</td>
<td>-</td>
<td>4,371,717</td>
</tr>
<tr>
<td><strong>Total Region (11)</strong></td>
<td><strong>$7,819,012</strong></td>
<td>-</td>
<td><strong>$2,411,890</strong></td>
<td><strong>34,013</strong></td>
<td>-</td>
<td><strong>$10,269,325</strong></td>
</tr>
<tr>
<td>Evansville (12)</td>
<td>$15,603,726 $90,000</td>
<td>-</td>
<td>$2,359,603</td>
<td>$159,434</td>
<td>-</td>
<td>18,400,590</td>
</tr>
<tr>
<td>Sellersburg (13)</td>
<td>10,066,167</td>
<td>-</td>
<td>1,592,889</td>
<td>149,438</td>
<td>-</td>
<td>11,727,335</td>
</tr>
<tr>
<td>Bloomington (14)</td>
<td>10,493,613</td>
<td>-</td>
<td>1,338,438</td>
<td>824,614</td>
<td>-</td>
<td>12,754,214</td>
</tr>
<tr>
<td><strong>Total Reg./Sites</strong></td>
<td><strong>$223,517,045</strong></td>
<td>-</td>
<td><strong>$31,401,148</strong></td>
<td><strong>$1,919,773</strong></td>
<td><strong>224,000</strong></td>
<td><strong>257,976,895</strong></td>
</tr>
<tr>
<td>C-W Accounts</td>
<td>12,256,901</td>
<td>-</td>
<td>6,034,233</td>
<td>10,973</td>
<td>-</td>
<td>10,881,332</td>
</tr>
<tr>
<td><strong>Total College</strong></td>
<td><strong>$252,599,108</strong></td>
<td>-</td>
<td><strong>$40,807,875</strong></td>
<td><strong>$1,972,130</strong></td>
<td><strong>224,000</strong></td>
<td><strong>297,272,637</strong></td>
</tr>
</tbody>
</table>
### IVY TECH STATE COLLEGE
#### SUMMARY SCHEDULE OF INVESTMENT TRANSACTIONS
##### APRIL 1 - APRIL 30, 2006

<table>
<thead>
<tr>
<th></th>
<th>CURRENT YEAR</th>
<th>PRIOR YEAR</th>
<th>PRIOR YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL FUNDS</td>
<td>PRIOR YEAR</td>
<td>TOTAL FUNDS</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$ 97,281,821</td>
<td>$ 77,716,842</td>
<td>$ 1,099,560</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 91,721,643</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### INTEREST INCOME

<table>
<thead>
<tr>
<th></th>
<th>Fund 01</th>
<th>Other Funds (2)</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash</td>
<td>$ 2,069,359</td>
<td>$ 463,317</td>
<td>$ 2,532,676</td>
</tr>
<tr>
<td>Months interest</td>
<td>392,975</td>
<td>-</td>
<td>392,975</td>
</tr>
<tr>
<td>Int earned with Trustee</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>(56,223)</td>
<td>56,223</td>
<td>(29,860)</td>
</tr>
<tr>
<td>Cash collections to date</td>
<td>2,406,111</td>
<td>519,540</td>
<td>2,925,651</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intr Accrals - Fut. Maturities</td>
<td>1,031,648</td>
<td>1,031,648</td>
<td>602,084</td>
</tr>
<tr>
<td>Intr Accrals - YEC 03-04</td>
<td>(584,928)</td>
<td>(23,354)</td>
<td>(309,764)</td>
</tr>
<tr>
<td>Int Accrual Basis</td>
<td>$ 2,852,833</td>
<td>$ 496,186</td>
<td>$ 3,349,020</td>
</tr>
</tbody>
</table>

#### Footnotes:
1. Pooled investment fund also includes Bookstore, Payroll Withholdings, and Parking
2. Other funds include Plant, TFP/BIRT, Insurance Stabilization Reserve, and Student Government

Average yield to Maturity as of April 30, 2006 – 4.723%
Average yield to Maturity as of April 30, 2005 – 2.911%

#### Summary of Investment Activity as of April 30, 2006

<table>
<thead>
<tr>
<th>Institution</th>
<th>Type of Investment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>National City Bank</td>
<td>Certificate of Deposit</td>
<td>$ 78,600,000</td>
</tr>
<tr>
<td>Federated Investors</td>
<td>Commercial Paper</td>
<td>-</td>
</tr>
<tr>
<td>Lake City Bank</td>
<td>Agency / Disc Notes</td>
<td>$ 6,000,000</td>
</tr>
<tr>
<td>Irwin Union Bank</td>
<td>Savings</td>
<td>$ 808</td>
</tr>
<tr>
<td>Lafayette Savings Bank</td>
<td>Prime Cash Obligations Fund</td>
<td>$ 6,807,355</td>
</tr>
<tr>
<td>Huntington Capital Corp</td>
<td>Dreyfus Cash Management</td>
<td>$ 313,481</td>
</tr>
<tr>
<td>First Indiana Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
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* IVY TECH IS THE FISCAL AGENT FOR THESE FUNDS
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## DISBURSEMENTS OF $100,000.00 AND OVER
FOR THE MONTH OF APRIL, 2006

### Page 2

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III. Reported to the Board of Trustees, over $100,000 under $200,000.
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OPERATIONS FUND REVENUE
TOTAL REVENUE - APRIL 2006
IVY TECH COMMUNITY COLLEGE
REVENUE AND EXPENDITURE GRAPHS -- ADDITIONAL INFORMATION
Fiscal Years 2004, 2005, 2006

OPERATIONS FUND REVENUE -- TOTAL REVENUE GRAPH BACKGROUND

The graph depicting Total Operations Fund Revenue includes revenues from State Appropriations, Student fees, and Other Income (including interest income). We normally receive our state appropriation check (approximately $11.5 million) on the fifteenth of each month. Peak months for student fee revenues are July, August, November, December, and April of each year during the early registration periods. The debt service, student activity fee, and parking fee revenue and subsequent transfers have been backed out of the Operations Fund Revenue for all the years shown to present a clearer picture of the Operations Fund activity.

April--2006 Analysis: For the year, both student fee revenue (up 9.9%) and state operating appropriations (up 8.8%) increased over fiscal year 2004-05. The operating appropriation increase is due to both the increase in appropriation levels for 2005-06 and because the state has frozen the payment delay amount instead of continuing to roll it forward. Summer 2005 enrollment indicates the number of FTE students who have made arrangements to pay was down 1%, Fall FTE enrollments were up 1.1% over last year, and Spring 10-day count enrollments were up 2.7%. The 4.8% increase in student fee rates is reflected in the Fall and Spring term revenues but not for the Summer term 2005. The 2006-07 increase in student fee rates of 4.8% is reflected in Summer term 2006. Other income has increased by 10.7% primarily because higher interest rates and increased balances available for investment. Total fiscal year to date revenue is up by $20.5 million (9.4%) over fiscal year 2004-05.

OPERATIONS FUND EXPENSE -- TOTAL EXPENSES GRAPH BACKGROUND

The graph depicting Total Operations Fund Expense includes expenditures for Salaries and Benefits, and Other Expenses. There appears to be a definite correlation in the timing and amounts of expenditures by the College when analyzing total expenses by month for the last three fiscal years.

The highest months for expenses are typically October and February when College Fee Remission expenditures occur. Hourly personnel receive twenty-six pays a year; therefore, twice a year they receive three pays during a month. In FY 2003-04, December and June were the two months where three pays were recorded; in FY 2004-05, October and April, and in FY 2005-06, September and March are the two months when three pays will be recorded.

April--2006 Analysis: The 2005-06 total expenditures are approximately $18.7 million (9.7%) higher as compared to 2004-05. For the year, compensation has increased by 6.4%. Compensation has increased due to the increase in faculty and staff as well as the 4% salary increase for faculty and 3% salary increase for all other employees. Other expenditures have increased by 17.9% primarily as a result of increases in natural gas and electricity utilities, capital expense, leased computer software, promotions and advertising, printing, and equipment maintenance agreements. In addition, the total includes $6.4 million of expenses associated with the Integrated Information System (IIS) project.
Budget and Finance Committee

June 14, 2006

I. Action Items:

A. Consideration of a Resolution Approving the 2006-07 Internal Operating Budget

The Budget and Finance Committee of the Whole will meet on May 31, 2006 to make the final recommendations regarding the operating budget. Detailed information regarding the revenue estimates and spending initiatives will be presented at that time. A summary of the internal budget assumptions and spending priorities will be discussed during the committee meeting.

B. Consideration of a Resolution Authorizing Approval of Contract Extension for Statewide Marketing/Advertising

The College administration recommends that the State Board of Trustees authorize the College to extend the existing contract with Asher Agency for fiscal year 2006-2007.

The State Board of Trustees Resolution 2005-31 approved the College to enter into a contract with Asher Agency not to exceed $1,300,000. During fiscal year 2005-2006 the College worked with Asher Agency to develop its current “Changing Lives” campaign. The campaign has been used to inform the public of the College’s brand attributes and encourage enrollment for those students wishing to transfer and those wishing to enter the workforce.

The contract extension would allow the College to continue the statewide marketing/advertising campaign with the Asher Agency. The current contract allows for the exercise of the options of two one year renewals. The cost for the contract extension for 2006-2007, the first option year, would not exceed $1,000,000.

In May 2005, a subcommittee of the statewide Marketing Management Group evaluated 12 Indiana marketing agencies responses to the request for proposal to determine the agency that would best assist Ivy Tech Community College with a branding and enrollment marketing/advertising campaign. As a result of the subcommittee’s report to the President, the Asher Agency was selected. Asher Agency had prior experience in working with Ivy Tech both regionally and on a statewide level and had the most experience with television production, a key element of the campaign.

The “Changing Lives” campaign has created statewide efficiencies and regional cost savings. The extension of the contract with Asher Agency is expected to continue to create efficiencies and cost savings while further expanding Ivy Tech Community College’s presence in a competitive market place.
C. Consideration of Approval of Contract Award for Advertising Services, Region 3

The current contract with the Asher Agency, for Region 3 advertising services, expires on June 30, 2006. The region requests approval of the Asher Agency services for the 2006-2007 fiscal year at a cost estimated not to exceed $213,500, with the option to renew and extend the term of the agreement for two additional one year terms.

In 2006-2007 the Asher Agency is expected to provide regional advertising services for electronic media advertising, along with publications, outdoor, print advertising and design services. Advertising services are quoted and subject to regional approval, on a project by project basis throughout the fiscal year. This expenditure level will place Region 3 at approximately the same level of expenses and services as received in the past several years.

It is anticipated that there would be no more than a 15% annual increase in cost for the second and third option years, if the options were exercised. If the cost exceeds the anticipated increase the region will request State Board approval.

The region has developed a marketing strategy with the Asher Agency under the previous statewide agreements and wishes to continue with this strategy, as local efforts and publications have been developed around the statewide and regional campaigns. Region 3 believes a change of agency at this time could result in additional costs for advertising, which often accompany a change in advertising philosophy. The region has maintained an excellent relationship with the Asher Agency and has been very satisfied with the agency’s work. Region 3 requested and received a bid exception from the office of the Vice President for Finance and Treasurer.

The cost of advertising services will be covered by the regional operating budget. The Region 3 Board of Trustees is expected to grant approval of the execution of the contract with the Asher Agency at the meeting on June 12, 2006.

D. Consideration of a Resolution for Approval of Arrangement with Indiana Higher Education Telecommunication Services (IHETS) for Data, Video, and Internet Circuits and Services

The Central Office Information Technology Services (ITS) department is requesting approval to extend its current wide area networking arrangement with the Indiana Higher Education Telecommunications System (IHETS). This arrangement provides connections for students, faculty, and staff using the College data network to access and retrieve data from student and administrative systems, as well as access to the increasing number of distance education classes provided over the video network. It also provides all network users with access to the Internet.

ITS is currently involved with the exploration of alternatives, including ILight2, to determine if some or all of the college’s wide area network needs can be met in this way
for the future. ILight2 is an effort to purchase “dark” fiber throughout the state and to “light” that fiber at 17 nodes throughout the state for use as a higher education network. Startup costs for this effort were funded by the Indiana State Legislature and were made available to Indiana University and Purdue University to implement the network.

The ILight2 backbone will be “lit” by July 1, 2006. Many of the details, including the cost to connect to a node and the service levels that will be provided are unclear. Also, a governance structure is to be formed in such a manner that all users are represented in the decision making of the network.

The College has not committed to using ILight2. Therefore, the College needs to continue its current wide area network strategy with IHETS until these specifics can be determined with ILight2. In the event the College decides to join the ILight2 consortium, there would then be a need to provide connection from the nearest ILight2 node to any campus that is to use ILight2.

The College currently has 84 circuits with IHETS at an annualized cost of approximately $630,000. Bandwidth usage has been growing approximately 10%-15% per year since 2004 as current campuses increase the number of connections or as new campus construction is completed. Therefore, ITS requests approval to continue using IHETS as the provider of wide area network and internet services for the 2006-07 fiscal year at a cost estimated not to exceed $700,000.

The agreement between IHETS and Ivy Tech Community College is a letter of understanding between the two organizations. No contract is necessary to continue this arrangement. IHETS has designated Indiana University as its fiscal agent, and all payments will be made to Indiana University.

E. Consideration of a Resolution Authorizing Approval for Facilities Management Contract, Region 8

Region 8 is requesting approval to enter into a facilities management contract with Scott, Hilliard, Kosene beginning July 2006 through June 2007. Under this contract, Scott, Hilliard, Kosene would be responsible for the day to day operations of the facilities and security functions at all Region 8 College-owned sites which include North Meridian Center, Technology Building, East Washington Center, and the Lawrence campus. The Executive Director of Finance for the region is being assigned to assist with the implementation of the new Banner System. The region feels that it is necessary to outsource this responsibility over the next year to ensure adequate coverage in the facilities and security areas.

The services of Scott, Hilliard, Kosene were secured initially to perform a facilities review for the region in the fall of 2005 at a cost of $24,000. The resulting report that was presented to the region was very informative and detailed with respect to strengths and weaknesses within the facilities and security areas. The report proved to be a very useful tool in identifying areas of concern for management to focus and make changes. Numerous cost cutting initiatives were introduced that are currently being pursued.
At the conclusion of the initial review, the region requested that Scott, Hilliard, Kosene continue their work with the region and enter into a second contract that would focus on five issues outlined in the report that the region felt were most important and provided the most value to the operations. The cost of the second contract, beginning in March 2006 will be $174,000 over a twelve month time frame. An exception to the bidding requirements was approved by the office of the Vice President for Finance and Treasurer based on the excellent performance in the initial contract and the firm's expertise and experience in these fields. Provided is a listing of the five deliverables identified for the second contract:

1. Prepare, implement, and maintain a Facilities Disaster Recovery/Operations Continuity plan for the Central Indiana region. The firm will establish a committee of key management to develop the plan and establish acceptable recovery goals. The Recovery Plan will also be posted to the College website for public access. The region feels that a Disaster Recovery plan is vital in today's environment and will enhance safety and security for its employees and students.

2. Develop an Energy Management Policy for all Central Indiana facilities, as well as recommending necessary steps to reduce energy costs through the installation of energy saving equipment/measures. This initiative is expected to result in direct savings to the College.

3. Install and implement an automated work order system. The region currently operates using a manual, labor intensive paper process. This automated system will allow more effective use of staff time and will allow the region to develop a preventative maintenance schedule for routine tasks such as changing filters, light bulbs, etc.

4. Analyze, recommend, and implement Security Policies/General Operating procedures to effectively and efficiently secure the campus. The initial report indicates that the region spends twice as much as other community colleges of equal size on security staffing. Recommendations will be provided that are expected to reduce this expense.

5. Review existing building maintenance contracts, make recommendations for changes that will potentially result in lower annual costs to the College, and assist management in revising the bid specifications prior to soliciting bids for building maintenance.

It is estimated that the potential savings that could result from these deliverables will be approximately $450,000.

The region wishes to enter a third contract for facilities management at a cost of $65,000. The responsibility for facilities management currently resides with the Executive Director of Finance. Over the course of the next year, this person will be redeployed to the new Banner System implementation at least 50% of the time. Although the Executive
Director of Finance will still ultimately be responsible for these areas, this contract will provide an experienced contact person for issues that need to be resolved in a timely manner. Due to the second contract for the $174,000 and the third contract in the amount of $65,000 this will result in payments to Scott, Hilliard, Kosene exceeding $200,000. Therefore, the region is requesting board approval at this time for the last two contracts totaling $239,000.

The funding source for the contracts is the regional operating budget. The Region 8 Board of Trustees has previously approved the first contract in the amount of $174,000 and is expected to approve the contract in the amount of $65,000 at the June 12, 2006 meeting.

**F. Consideration of a Resolution Authorizing an Increase in Cost for Custodial Services Contract at Region 12**

Region 12 requests approval of additional costs for the custodial service contract with Hasgoe Cleaning Systems.

At the June 2005 State Board of Trustees meeting, the Trustees approved Resolution 2005-23 that authorized Region 12 to execute a two-year contract for custodial services with Hasgoe Cleaning Systems for the two year period, fiscal years 2005-2006 and 2006-2007. The amount of the contract was for $576,580 plus extra annual services provided during both years. The services to be provided covered the Main Campus building, Tri-State Building, and the First Avenue Plaza locations.

The contract costs increased beginning in May 2006 due to the early completion of the region’s Phase II building project, adding 66,792 assignable square feet requiring custodial services. This resulted in a monthly increase to the original contract of $6,512 for May and June of 2006, increasing the region’s custodial services cost by $13,024 for fiscal year 2005-2006.

Effective July 1, 2006 the region will enter into the second year of the original contract. The contract allows for an increase in the cost per square feet in the second year. The cost increase is 3.4% more than the previous year. The May 2006 Phase II addition to the Main Campus building will increase the custodial contract by $6,735 monthly from July through September 2006 while the Commons area is being renovated. Also, in October 2006, the Commons area renovation will be completed and will result in an additional cost of $509 monthly for custodial services for a total of $7,244 per month for the remaining nine months of the 2006-2007 fiscal year. As a result, the region’s custodial services expense will increase by $85,401.

In addition, there is a possibility of space in the First Avenue Plaza needing custodial services during this period. The region estimates that an additional amount of $12,000 may be needed for cleaning of space that could be occupied at the Plaza at a later date in fiscal year 2006-07. The total additional custodial service expense amounts to $110,425.
The total contract amount previously approved by State Board resolution will now increase to $687,005 plus extra annual services.

Due to the increase in cost for the additional square feet completed in Phase II, and the possibility of space that could be occupied in the First Avenue Plaza, it was decided to request approval from the State Trustees. The region plans to advertise for bids for custodial services again in the spring of 2007.

Funds for the cost of the entire contract will be from the regional operating budget. The Region 12 Board of Trustees approved the additional funding for the contract for both fiscal years at the May 22, 2006 meeting.

G. Consideration of a Resolution Authorizing Payments to American College Testing (ACT) for Statewide Assessment and Testing Services

The College has chosen to use assessment/testing products from ACT for many years. The products are uniquely designed by ACT and there would not be any other vendor/supplier source for these tests. For several years, the College has purchased these products on a consortium basis to achieve a cost savings. The materials are ordered centrally, with the orders coordinated by accumulating the regional requests for the various testing products.

The primary products ordered in recent years are the two exams used for initial placement of students: ASSET (paper-and-pencil version) and COMPASS (computer-based version). The total for these tests for the statewide system has risen to an annual cost of $189,960 in the 2005-2006 fiscal year.

A recommendation is currently under consideration to adopt another ACT product, the Collegiate Assessment of Academic Proficiency (CAAP), as an exit examination to determine the competency level of Ivy Tech graduates in math, writing, scientific inquiry, and critical thinking. If that recommendation is adopted, the additional cost system-wide is likely to be in the range of an additional $75,000-80,000 per year.

Pending the approval of CAAP, and because this purchase would increase the cost of a total annual order from ACT to over $200,000, we are requesting State Board of Trustee approval in advance of the annual order for the 2006-2007 fiscal year. The funding is provided by the regional campuses’ operating budgets.

II. Discussion Item:

A. Report on the 2007-09 Biennial Budget Request

The College is in the process of developing the 2007-09 biennial budget request. The administration was still in the process of developing the request as of the Board materials mailing date. The Trustees will be updated on the process at the June 2006 meeting.

B. Consumable Fees Update
In response to the 1998 NCA self-study of Ivy Tech, which noted that the fees charged for consumable supplies in various courses varied considerably among the different Ivy Tech campuses across the State, a consumable fees committee made up of regional and central office staff was formed. The committee’s charge was to develop recommendations regarding the appropriate level of fees for consumable supplies used in various courses and labs at all Ivy Tech campuses across the State. The committee meets annually to review the list of allowable charges and to make necessary amendments. The committee has made their recommendation to the Vice President for Finance/Treasurer for the upcoming academic year. The committee recommended the following list of consumable supplies and relevant charges to be effective for the Fall 2006 semester:

- Machining and Welding Materials: $22 per course (No change)
- Technology Division
- Dissection materials: $10 per course (New program)
- Specialty papers: $22 per course ($2.00 increase)
- Paramedic - EMT: $11 per course (No change)
- Biotechnology/Chemical Tech: $22 per course (No change)
- Mortuary Science: $22 one course only ($2.00 increase)
- Nursing tests: $83.50 - $167.00 varies by course
- Surgical Procedures III: $35.00 ($10.00 reduction)

The Vice President for Finance/Treasurer has authorized these fees and the regions have been so notified.

C. Discussion of a Preferred Hotel Vendor for the IIS Project

The College is beginning the implementation of the IIS project. The members of the various work teams are being finalized and training has begun on the Finance module. The various work teams are comprised of regional and central office personnel. Regional employees will be required to stay overnight frequently during the implementation of the new software. Because of the anticipated number of hotel rooms required over the length of the implementation, the College developed a Request for Proposal (RFP) and sent it to various Hotels near the Lawrence campus. RFPs were solicited from five potential sources and three responded. The $59.00 per night rate proposed by the Jameson Inn at Castleton was the lowest and best bid received therefore; the Jameson Inn at Castleton has been designated as the preferred hotel vendor for the IIS project. The Candlewood Suites was designated as the overflow hotel; they too offered a rate of $59.00 per night for a studio suite but the price did not include a continental breakfast. For comparison purposes the government rates at the hotels range from $79 - $87 per night.

C. Accounting for Other Post-Employment Benefits

In August 1997 the Board of Trustees approved the Resolution authorizing the 75-Plan Post-Employment Benefit. This plan allows employees who retire between the ages of 55 and the age of Medicare eligibility, and whose combined age and years of continuous benefits-eligible service equal at least 75, to remain in the College group medical and
dental programs. Retirees eligible for this program pay the same share of insurance costs as employees currently 20% of the premium expense. The remaining 80% is covered by the College.

The Governmental Accounting Standards Board (GASB) has issued statement number 45 which gives standards on accounting and reporting by employers for post-employment benefits other than pensions (OPEB). This statement recognizes that post-employment benefits are part of an exchange of salaries and benefits for employee services even though the benefit may not be taken until after the employee’s services have ended. This statement requires that the cost of the post-employment benefit should be associated with the periods in which the service occurs, rather than later when the benefits are paid or provided. Prior to the issuance of the statement, most OPEB plans, including the College’s, were financed on a pay-as-you-go basis.

Effective with financial statements for the fiscal year-end 2008, the College will be required to show a liability for the unfunded accrued liability. Even though it was not yet required, the college had an actuarial study completed for the fiscal year ended June 30, 2006. The results of the study showed a total unfunded accrued liability of $42.7 million. Statement 45 permits amortizing the unfunded liability over a period of 30 years. Based upon the actuarial study, the FY 2006 Annual Required Contribution (expense) would be $5.2 million.

As part of the year-end close process, the college plans to create an account as an offset against the accrued liability and will begin to transfer funds into the account.

In light of GASB 45 and the resulting financial statement impact, it seems logical and necessary that the college would begin a review of the 75 plan benefit to determine how the plan might be changed.

D. Use of the Indiana Finance Authority by the Ivy Tech Foundation to Finance the Acquisition of the Trialon Building in Kokomo and Refinance the First Avenue Plaza in Evansville

Ivy Tech Community College is currently leasing the Trialon Building and about 2.43 acres of land in Kokomo. In November 2004 an appraisal determined that the fair market value of the real estate was $1,875,000. A more recent appraisal completed in May 2006 places a value of $2,200,000 on the property. The College currently leases that property at a cost of $147,000 annually and also pays property taxes of $31,800 per year. Under the lease agreement, the College has an option to buy the real estate during the initial term of the lease, which is September 1, 2005 through August 31, 2007 for $1,500,000. However, under IC 20-12-5.5-2, the College cannot purchase or lease-purchase real estate with a value over $300,000 without first having the transaction approved by the General Assembly.

Resolution 2006-19, adopted at the April 2006 State Board of Trustees meeting requested that the Ivy Tech Foundation purchase the Trialon Building in Kokomo for a price not to
exceed $1,500,000. The Ivy Tech Foundation has agreed to purchase the facility and plans to finance the acquisition at tax exempt rates through the Indiana Finance Authority’s Direct Purchase Bond Program. At the time of this writing, the transaction is not complete. However, current estimates are that the College will save about $6,000 annually in lease payments. In addition, the real estate would qualify for a property tax exemption, which would save the College another $31,800 annually.

In conjunction with this transaction, the Foundation is planning to refinance the acquisition of the First Avenue Plaza in Evansville. The Foundation acquired this property at the request of the College in September 2003. At that point the College was already leasing about 45% of the building, with the remaining 55% leased by commercial tenants. Today, the College is leasing the entire facility from the Foundation, and using about 85% of the space, while subleasing only about 15% of the space to commercial tenants.

Since 85% of the property is used by the College, the Foundation can utilize tax-exempt financing for 85% of the total loan. Because of the opportunity to combine this borrowing with the Trialon loan, it is cost-effective to refinance the First Avenue Plaza loan. Estimated savings for the College are about $7,200 annually.

H. Purchase of Natural Gas

The College has entered into a contract with Signature Energy Management (SEM), an affiliate of Proliance Energy LLC, to purchase natural gas for the Region 8 Central Indiana campus. Proliance Energy is a wholly owned subsidiary of Citizens Gas and Vectren Energy.

Historically, Proliance has offered large natural gas customers the opportunity to convert floating price positions to fixed prices at a customer’s election. Recently, Proliance has begun offering, through its subsidiary, Signature Energy Management, two new options similar to mutual funds attempting to mitigate natural gas price volatility.

The first option, known as the Disciplined Strategy utilizes a twelve-month rolling average similar to dollar cost averaging in mutual fund investing to determine pricing. By spreading the pricing determinations over multiple months, SEM may be able to more effectively reduce price risk. Ivy Tech has elected to purchase 80% of its natural gas for the Region 8 campus through this strategy.

Proliance and SEM also offer a Performance Strategy that provides participants an opportunity to execute fixed price conversions of their gas volume requirements. While the Disciplined Strategy uses a weighted average price, which adjusts as the average fluctuates, the Performance Strategy seeks to identify price trends and purchase on an opportunistic basis when a market trend appears favorable. Ivy Tech has elected to purchase 20% of its natural gas for the Region 8 campus through this strategy.
The College is optimistic that this will be a cost savings initiative for the Region. Ivy Tech and Proliance are currently collecting usage data for other regions served by Citizens Gas or Vectren Energy to determine which ones might be eligible to participate in this program.

Region 8 will incur over $300,000 of natural gas utility expenses during 2005-06. Because Proliance and SEM are subsidiaries of Citizens Gas and Vectren Energy, Region 8 will follow the same procedures as used in the past in establishing a blanket purchase order with Citizens Gas for 2006-07.

I. Region 3 Custodial Contract

For fiscal year 05-06, the Trustees approved a contract with Executive Management Services for cleaning services at Region 03 Northeast. The base amount of the contract was $176,450.47 and the contract contained an option to renew for two additional one-year terms. Region 3 exercised its option to renew with the vendor and there will be no rate increase for the 06-07 fiscal year, however, additional cleaning services in the amount of $8,400 per year have been added to the blanket purchase order. The $8,400 per year represents the cost for Executive Management Services to perform cleaning of the parking lot and grounds at the main campus.

The main campus parking lot and grounds cleaning was performed by Brower Enterprises from 1997 through 2005 at a cost of $700 per month. In January of 2006, the owner/operator of Brower Enterprises retired, requiring the region to obtain these cleaning services elsewhere. Executive Management Services performs the same type of parking lot and grounds cleaning service for the North Campus parking lots as part of their original contract, so they were the logical choice. Executive Management Services agreed to perform the main campus parking lot and grounds cleaning services at the same rate paid to Brower Enterprises for the past nine years. This rate is also equivalent to the rate in their original contract for the north campus parking lot. The north campus lot is half the size of the main campus lot and is cleaned at a rate of $350 per month.

The additional parking lot and grounds cleaning increases the amount of the 06-07 Executive Management Services expense to $184,850.47. Annually, the increase is less than five percent of the original contract approved by the Trustees. Due to the small dollar increase and the fact that the charge is the same as the previous vendor’s charge, the College administration decided to inform the State Trustees of this situation instead of preparing a resolution for approval.

J. Information concerning College Consortium/Cooperative/Group Purchasing Agreements

Traditionally, the majority of College purchasing has been initiated at the regional level with some centralized purchasing. The need for products and services identified in the operation of each regional campus is handled by the solicitation of quotes, bids, sealed bid or requests for proposals to potential
vendor/supplier sources. The quote/bid/proposal evaluation, decision making, and approval for the majority of the purchases of products and services are done at the region with review at central office for large dollar expenditures.

Historically, there has been a focus centrally to develop options for regions to participate in negotiated contracts, consortia, cooperative agreements, and group purchasing arrangements. Either the College has a membership, or qualifies to participate based on its status as a state supported higher education institution. These alternatives allow the College to reduce operating costs by obtaining better pricing through the pooling of the total buying power of the entire College or in many cases of multiple institutions.

The regions have the option to make purchases through the College wide purchasing arrangements or to purchase from other vendors/suppliers, if better prices can be negotiated. However in the vast majority of cases, group purchasing prices are the lowest best prices available, and consequently widely used. In addition, College wide contracts are in effect for Microsoft software products for classroom and administrative uses, College forms, purchasing card processing, and long distance phone service. The College currently participates in the following consortium agreement/cooperative organizations/group purchasing organizations:

1. CICPC (Committee on Institutional Cooperation Purchasing Consortium)
   CICPC is the cooperative purchasing organization serving the Big Ten institutions. In November 2005 the College was notified that approval was granted for affiliate status by the Board of Directors of the CICPC, along with the other Indiana public higher education institutions that are not members of the Big Ten. The College now has access to the existing 20 plus contracts available to Indiana University, Purdue University, as well as other Big Ten institutions. The contract areas include office supplies, scientific equipment, rental cards, anti-virus software, paper (recycled, virgin), network servers, and other products and services.

2. Educational & Institutional (E&I) Cooperative Service, Inc.
   E&I is a member owned, not for profit purchasing cooperative for higher education and health care. Products and service contracts are bid based on the aggregate volume of more than 1500 member institutions. College membership in the NAEP (National Association of Educational Procurement), allows all College locations access to E & I competitively bid and negotiated contracts. The College received approval to have a single membership based on total College FTE enrollment effective July 1, 2003. A wide variety of products and services are offered at discounted list prices to all member educational institutions including:
   - Computer software
   - Computers and Networking
   - Electronics and Peripherals
   - Express Delivery and Freight
Furnishings
Furniture
Maintenance for Facilities
Moving and Relocation
Multimedia
Office Equipment and Supplies
Procurement Card Solutions
Scientific Equipment and Supplies
Travel Services

3. Horizon Resource Group
The College entered into a no-membership-fee-required participation agreement with Horizon Resource Group (HRG). HRG is a group purchasing organization (GPO) for higher education in the U.S., leveraging national buying power for institutions of higher education. Within Indiana HRG serves all or nearly all of the private institutions. Categories of products and services available:

Building Materials & Equipment
Distribution
Floor Covering
Furniture & Furnishings
Information Technology
Janitorial/Sanitary Supplies & Equipment
Scientific Laboratory Supplies & Equipment
Maintenance Repair & Operations
Office Equipment and Services
Office Products
Telecommunications
Travel Management Services
Waste Services

4. Indiana Higher Education Consortium (IHEC) Agreement
IHEC is the identifier chosen by Indiana University to refer to the seven state supported higher education institutions to negotiate contracts with the estimated purchasing volume of all institutions. Several years ago Indiana University/IUPUI developed volume purchase agreements for computer equipment and related items with several computer companies including Hewlett Packard (formerly Compaq), Dell, Gateway, and Tangent Computers. The only arrangement remaining is with Tangent Computers.

5. MHEC (Midwestern Higher Education Commission)
The State of Indiana obtained membership in the commission through legislative statute in 1996. MHEC is a nonprofit regional organization that makes available various offerings of products and services to assist several Midwestern states in advancing higher education through interstate cooperation and resource sharing. The commission conducts a bid process through committees composed of representatives from the member institutions. The intent is to allow states and institutions to take advantage of the volume
generated by a larger group to make purchases without going through the added cost and burden of individual, duplicative bid processes. Some of the offerings made available include the following:

- Academic Scheduling
- Computer Hardware (including peripherals)
- Computer Software
- Equipment Maintenance Management
- Interactive Video
- Master Property Insurance
- MHEC-Tech Initiative for computer hardware and software (Dell, Gateway, IBM)
- Midwest Student Exchange Program (tuition discount program)
- Office Supplies
- Telecommunications

6. OneIndiana Project Participation/Intergovernmental Cooperative Purchasing Program

In the past the College has participated in the State of Indiana Intergovernmental Cooperative Purchasing Program, commonly referred to as the QPA (Quantity Purchase Award) program, through the Department of Administration. This program eliminated the need to complete the bid process for products and services that have already been bid by the State of Indiana. The College has used this access for the full range of products and services from A to Z offered on the State of Indiana website. Previously purchases made by the College included telephone systems, copiers, and vehicles.

In addition to having the availability to access all the products and services under the QPA program, in 2005 the College began cooperating with Governor Daniels’ OneIndiana Project. This initiative is focused on using the combined purchasing power of all state agencies to obtain better prices and equal or better contract terms for products and services. All state higher education institutions were invited to be a part of this initiative.

The College’s participation has including assisting with the collection of data to understand and integrate the institution’s needs into the state’s specifications for the establishment of new contracts. The products and services to date for which the College has provided information include computers and office supplies. As a result of this participation; the College’s purchase volume for computers was included in a state Request for Proposal for IT equipment.

Several other categories are being targeted to create new contracts and improve processes. These categories include office equipment, fleet (fuel and vehicles), IT temporary services, mailing services, and cellular telephones.

As with other consortium purchasing options, the College compares OneIndiana and State QPA prices with prices available through other consortium agreements.
PLANNING AND EDUCATION COMMITTEE

June 14, 2006

I. Action Item

A. New Program Approvals

New Program

The College is proposing adding a new type of program to the inventory: certificates. Certificates are sequences of technical and professional courses that allow individuals access to targeted, short-term workforce training. Such offerings are common at community colleges and typically do not include general education coursework.

The Ivy Tech certificates will have between 16 and 27 credit hours, with a consistent statewide curriculum. They are shorter than Technical Certificates the college currently offers and will provide a new way to be responsive to workforce education needs.

To make these certificate programs widely available, particularly to individuals seeking entry or re-entry into the workforce, it is important that they be eligible for federal financial aid. Formal approval of these certificates is a necessary step in establishing financial aid eligibility.

The following certificates, and their corresponding programs, are proposed at this time:

Automotive Electrical/Electronics (Automotive Technology)
Bookkeeping (Accounting)
Brakes and Suspension (Automotive Technology)
Construction Technician (Construction Technology)
Database (Computer Information Systems)
Engine Performance (Automotive Technology)
Fluid Power (Manufacturing and Industrial Technology)
Fundamental Payroll (Accounting)
Heating and Air Conditioning (Manufacturing and Industrial Technology)
Human Resource Management (Business Administration)
Java Programming (Computer Information Systems)
Machine Tool (Manufacturing and Industrial Technology)
Network Administration (Computer Information Technology)
PC Support and Administration (Computer Information Technology)
Power Train (Automotive Technology)
Routing and Switching (Computer Information Technology)
Structural Welding (Manufacturing and Industrial Technology)
Systems Security (Computer Information Technology)
Visual Programming (Computer Information Systems)
Web Management (Computer Information Systems)
These entry-level workforce programs will be approved for each Ivy Tech campus.

Each of these certificates has a dual outcome: each is fully applicable to the related associate degree, so students may pursue two-year degree completion should they choose, and each has a defined workforce outcome, most commonly a certification.

Routine Approvals

The College is proposing the following program expansions –

AAS in Paramedic Science – Region 1, Gary and Michigan City
TC and AAS in Public Safety – Region 6, Muncie
AAS and AS in Criminal Justice – Region 6, Marion and Anderson
AS and TC in Early Childhood Education – Region 5, Logansport
TC in Automotive Services – Richmond, Region 2, South Bend and Region 5, Kokomo

B. Implementing Fast Track to College and Double Up for College

House Bill 1347, which goes into effect in July, 2006, is designed to encourage high school completion by providing alternative completion options to students at risk of dropping out and adults who did not complete high school. Under this legislation, a state higher educational institution may establish a high school Fast Track to College program that offers qualified individuals an opportunity to earn a high school diploma while earning credits for a degree. Under Double up for College, the second program in the legislation, school corporations and state educational institutions may collaborate to offer early college, dual credit, or dual enrollment programs to high school students in the 11th and 12th grades.

While all public institutions are covered by the legislation, Ivy Tech Community College of Indiana and Vincennes University are mentioned specifically as providers of the “Fast Track to College” and “Double Up for College” programs. There is clearly a positive expectation that Ivy Tech will be a statewide leader in this effort, and the College is developing plans for how to support and implement Fast Track to College and Double Up for College.

There are a number of policies and procedures that will need to be developed in support of these two programs. One fundamental change is that Ivy Tech will now be awarding a high school diploma:

The state educational institution [i.e., Ivy Tech] shall notify the state board [i.e., the Indiana State Board of Education] that an individual has successfully completed the requirements of a program established under this section. Upon receiving the notification, the state board shall:
(1) grant to the individual a high school diploma that states the name of the state education institution at which the individual earned the high school diploma; and
(2) provide the diploma to the state educational institution to award to the individual.

Granting certifications of achievement and associate degrees is one of the powers and duties of the Ivy Tech Community College State Board of Trustees. As a first step in implementing the provisions of HB 1347, we recommend that the State Board accept responsibility for awarding the high school diploma through Ivy Tech Community College, consistent with the legislation, and direct the staff of the College to develop further plans for meeting the expectations of the legislation.

There will be an in-depth discussion of these programs at the committee meeting.

II. Discussion Items

A. The 2007 – 2009 Operating Budget Request

The 2007-09 Operating Budget Request is to be submitted to the state on August 1, 2002. The Quality Improvement section of the budget request offers public higher education institutions an opportunity to request budget changes “related to (a) improving the quality or effectiveness of services provided in order to more fully satisfy the institution’s mission, or (b) adding new academic programs or expanding existing academic programs.” (From Instructions for Presentation of the 2007-09 Budget Requests)

The College’s quality improvement request is projected for $5.5 million the first year, and an additional $5.5 million the second year, for a total of $11 million. Consistent with the goals of the Strategic Plan, support may be sought for two critical areas:

- Program implementation and program expansion in high-need and emerging areas
- Workforce literacy and academic skills

Funding to implement Fast Track to College/Double Up for College will be sought through a request for a Line Item. This will be part of the budget request, but financially separate from the operating and capital requests: “Line Item Projects are those for which separate appropriations are made, apart from the universities’ general operating appropriations. Typically, these are projects of special legislative interest, of purpose or application broader than a simple university setting, or having a planned termination date.” (From Instructions for Presentation of the 2007-09 Budget Requests)

Further details will be reviewed with the committee at the June meeting.
B. New Distance Learning Plan

A new Five Year Strategic Plan for Distance Learning was approved in May. The plan represents an important part of the College’s strategy for providing access to courses and programs around the state and for building enrollments in new populations. The plan contains recommendations related to orientation, pre-assessment of students’ skills and readiness for distance education, training for faculty, and a variety of other initiatives aimed at building capacity and support for students and faculty engaged in distance learning. Included in the plan are enrollment projections over the next five years and specific goals for the development of new programs and courses. Staff will share more information in the meeting.

C. Higher Learning Commission Update

A Steering Committee has now been appointed for the comprehensive visit scheduled for the 2008-09 academic year. The first meeting is scheduled for June. The Higher Learning Commission has new criteria for accreditation and the committee will become familiar with those new criteria and will identify a strategy for conducting the self-study process.

In part their work will be guided by advice from the March 2006 focus visit team which provided advice regarding which issues might require further study by the College. We have now received the exit visit report from the team that conducted the March 2006 visit. Results will be shared with the trustees at the meeting.

D. Workforce and Economic Development

An update on activities of the Workforce and Economic Development department will be provided at the meeting.

III. Information Item

A. Spring 2006 Enrollment Report

The spring semester end-of-term headcount enrollment was 73,037, down 0.2 percent from the previous spring, and the FTE was 38,150, up 2.7 percent over the previous spring. Further information will be provided at the meeting, along with a summary of enrollment to date for the summer term.
BUILDINGS, GROUNDS, AND CAPITAL COMMITTEE

June 14, 2006

I. DECISION ITEMS

A. Statewide – Approval of the Priority Ranking Measures for Ivy Tech Community College’s Capital Projects for 2007-09 and later biennia.

This item will formalize State Trustee approval of the priority ranking measures used by the Trustees to rank the College’s 2007-09 capital projects for submission to the State and set the use of the same ranking measures in future biennia until changed by the State Trustees.

As you know, the College is expected to identify a priority ranking for each capital project in its capital budget requests when they are submitted in June of the even numbered years. This committee and the State Trustees have spent considerable time revising the criteria used to assist the committee and the State Trustees in making their ranking decision for the 2007-09 capital budget request. At the April State Trustee meeting you approved a 2007-09 capital budget request using the criteria below to assist in the ranking. The College administration believes that having the State Trustees formally adopt the criteria will help in presenting the College’s 2007-09 Capital Budget Request to the Indiana General Assembly and the State’s administration (Commission for Higher Education, State Budget Agency, and Governor’s office) from now through next April and in subsequent biennia. The approved measures are as follows:

Need Measures:

1. Latest Project Biennium - The latest biennium for which the site received a capital project or major lease approval was determined. The site with the oldest action was given the highest rank (1).
2. Capital investment, total capital dollars within the last 20 years - The total funds approved for a site, capital and capital value of a lease, was determined. The site with the least capital dollars over the last 20 years was given the highest rank (1).
3. Capital investment, total capital dollars per fall 2005 FTE - The total capital dollars from the previous item was divided by the site’s fall 2005 full-time-equivalent enrollment. The site with the least dollars per FTE was given the highest rank (1). Measures 1, 2, and 3 will be averaged to form a single measure since separately they would constitute 25 percent of the need measures and therefore give undue weight to these three equity measures.
4. ASF/FTE - The site’s assignable square feet (ASF) was divided by the site’s fall 2005 full-time-equivalent enrollment (FTE). The site with the smallest ASF/FTE was given the highest rank (1).
5. Condition of space, % satisfactory or better - The percent of space at each site that is reported to the Commission for Higher Education as satisfactory or better was determined. Space identified as to be terminated was reclassified as satisfactory or in need of renovation. The site with the least percent of satisfactory or better space was given the highest rank (1).

6. Control of space, % owned & long-term lease - The percent of space at each site that is owned by the College or for which the College has a long-term lease was determined. The site with the least percent of owned or long-term lease space was given the highest rank (1).

7. Utilization of space, ASF/WSCH classroom - The ratio of assignable square feet to weekly student contact hours (WSCH) for classrooms was determined for each site. The site with the best use of classroom space (the lowest ASF/WSCH) was given the highest rank (1).

8. Utilization of space, ASF/WSCH teaching lab - The ratio of assignable square feet to weekly student contact hours for teaching labs was determined for each site. The site with the best use of teaching lab space (the lowest ASF/WSCH) was given the highest rank (1).

9. Fall FTE enrollment change, fall 2001 to fall 2005, actual change - The amount of full-time-equivalent enrollment change for the site between fall 2001 and 2005 was determined. The site with the most change was given the highest rank (1).

10. Projected fall FTE enrollment change, fall 2005 to fall 2015, actual change - The amount of full-time-equivalent enrollment change for the site between fall 2005 and fall 2015 projected enrollment was determined. The site with the most projected change was given the highest rank (1).

11. Enrollment penetration, fall 2005 FTE penetration - The ratio of the site’s fall 2005 full-time-equivalent enrollment to the 2004 estimated population in the site’s county was determined. The site with the lowest ratio (penetration) was given the highest rank (1).

12. Projected population change, 2004 to 2015, actual change - The projected population growth for the site’s county between 2004 and 2015 was obtained and the amount of change determined. Note that the projected year will always be at least 10 years but less than 15 years out. The site with the most projected change was given the highest rank (1).

Support and Readiness Measures:

1. Planning readiness - For each project, the relative level of site and project planning readiness was determined on three levels of site planning and four levels of project planning. The project with the most complete planning readiness was given the highest rank (1).

The following measure will only be applied to the top six or seven projects based on the previous measures.

2. Current community support – The measure will quantify, through a feasibility study (starting for the 2009-11 biennium) and the amount of funding support (both
onetime and recurring) the community commits to the project. The project with the
greatest amount of support was given the highest rank (1).

Once the criteria are adopted they will used for upcoming bienniums until changed by
State Trustee action.

Action Requested: Approval of ranking criteria for use by the College for the current and
future biennia.

B. Statewide – Approval of the community support measure of the Priority
Ranking Measure for Ivy Tech Community College’s Capital Projects for
2009-11 and later biennia.

This item will define how the second Support and Readiness measure will be measured
for the 2009-11 and later biennia.

In Decision Item A, the method of determining community support was not fully defined
and there was not enough time for a feasibility study to be completed for the top six or
seven projects by the time the State Trustees needed to take action in April. A more
detailed description of the proposed measure has been developed by staff and is presented
here:

Support and Readiness Measure number two, Current community support:

The following measure will only be applied to the top six or seven projects based on the
other Need and Support and Readiness measures.

Current community support – The total funds committed for a project will be determined
by adding the following three funding support items:

1. Cash on hand or pledged in such a way that there is a reasonable expectation that
   it will be available at the time the project is approved by the General Assembly
   and released to proceed,
2. Appraised value of a land gift less any unusual site development costs as
determined through a feasibility study, and
3. Recurring cash for the first five years of building operations for the proposed
   project pledged in such a way that there is a reasonable expectation that the funds
   will be available at the time the College takes possession of the project after
   construction or renovation, if any, is completed.

The project with the greatest total amount of dollar funding support will be given the
highest rank (1).

For the value of a land gift to be considered for the community support measure the land
must (as determined through a feasibility study):

- Contain sufficient buildable acreage for the projected enrollment at the site
  (however, for a site at which the proposed project is the first new construction
project, at least 15 buildable acres, the amount needed for a terminal 40,000 gross square foot building and associated site development, must be given, in whole or in part, to be counted).

- Be buildable on the land (no wetlands within the needed amount of acreage, no zoning restrictions detrimental to College use, clear title, clean Phase 1 environmental study, etc.),
- Provide safe ingress and egress,
- Be visible from a major thoroughfare in the community, and
- Be relatively “flat” to the extent that fill will not need to be exported or imported (i.e. all fill needed is available on site or excess fill can be used at the site).

If infrastructure requirements (detention ponds, retention ponds, parking, student activity areas) are to be shared by other adjacent land owners in a common area and are not to be fully placed on the gift land, the required acreage may be reduced proportionately.

Once this criteria measurement is adopted, it will be used for upcoming biennia until changed by State Trustee action.

Action Requested: Approval of the community support measure for ranking criteria for use by the College for future bienniums.

C. Region 12 – Authorization to purchase 0.196 acres of improved land at 603 Colonial Avenue in Evansville, $98,000.

This item will authorize the College to purchase an improved property (includes a house) at 603 Colonial Avenue near the campus in Evansville.

As you know, Region 12 has developed a land acquisition plan for property contiguous to the main campus in Evansville. One of the properties in the first block immediately north of the campus is available for sale. The property consists of a 1,236 square foot, three-bedroom house on approximately 0.196 acres. It has been appraised at $98,500 and the owner is willing to sell the property to the College for $98,000.

At their May 22, 2006 meeting, Region 12 Trustees made a request to the State Trustees as outlined above using Region 12 funds for the purchase.

After its purchase, Region 12 will rent the property to a tenant until the College owns a significant number of contiguous properties in the block, it is practical to demolish the homes for additional improvements at the campus, and the need for such improvements has been demonstrated. A map on the next page shows the relationship among 603 Colonial Avenue, the College’s Evansville campus, and the previously approved-for-purchase 601, 613, 619 and 713 Colonial Avenue and 700 Sheridan Road properties.

Action Requested: Approval of the purchase of 603 Colonial Avenue in Evansville.
SHOWING LOCATION OF PROPERTIES IN LAND ACQUISITION PLAN

IVY TECH EVANSVILLE CAMPUS

Ivy Tech Main Campus Building

Discussion with Owners
Purchase Recommended
Previously Purchased

Sheridan Road

First Avenue

Colonial Avenue

Tenant Road
D. Region 6 – Approval to exercise a renewal option for the Tucker and Jones buildings in Marion, $462,150 per year ($38,152.50 per month) estimated maximum rent.

This item will allow the College to continue leasing the Tucker and Jones buildings in Marion that it has leased since 1995.

The College started leasing the Tucker Building in Marion in September 1995. The original lease covered approximately 42,000 gross square feet in the Tucker Building. Under the current Tucker lease, the College leases parts of two adjacent buildings in Marion from the Marion Community Schools: the Tucker Building and the Jones Building (a former middle school). Rent covers all maintenance, custodial, security and utility costs with the exception of telephone. The original lease had five, two-year renewal options with the rent to be negotiated for each renewal option. However, as some of you may remember from your June 2003 Trustee meeting, the Region negotiated a conversion of the fourth two-year renewal term into two, one-year renewal terms. In April 2004, you approved the second and final one-year term of the fourth two-year renewal option for the Tucker and Jones Buildings.

Negotiations between Region 6 staff and the Marion Community Schools resulted in a new one-year lease at $444,376 for 55,547 square feet in the two buildings with two, one-year renewal terms. The original term of the new one-year lease will end August 31, 2006 and the College needs to exercise the first one-year renewal option for the new lease. As negotiated in the new lease, for the renewal terms, the square footage does not change but the rent increases by the rate of increase of the Consumer Price Index (CPI) “for the most recent available month as of the date of the beginning of the extended term”. The most recent month’s data that will be available by September 1, 2006 would be for June 2006 (released in mid-August). Therefore, the actual rent will not be known until after State Trustee approval is needed because of the 60-day notification clause. However, the CPI increase has been between 3.33 and 3.95 percent this year over the same month last year. Approval is being requested for an increase not to exceed 4.00 percent (to $462,150) with the actual increase to be calculated later.

At the end of the three years, the lease will go to a month-to-month status. With the construction scheduled to finish in December 2007, the College will need to negotiate a month-to-month term for the last six months of the second one-year renewal term.

Since the rent is greater than $200,000 for the renewal term, State Trustee approval is needed. State agency approval for the new lease is not needed since an original approval to lease the building was obtained with the original lease.

Action Requested: Approval of the first one-year renewal term of the new lease for the new Tucker and Jones buildings in Marion.
E. Central Office and Region 8 – Authorization to lease space in the International Medical Group building for use by the Central Office and Region 8 Workforce and Economic Development offices and a training center, $126,610 per year ($10,550.85 per month) rent the first year and $217,490 for renovations.

This item will authorize the College to enter into a lease for renovated space in the International Medical Group, Inc. (IMG) building at 2960 North Meridian Street approximately three blocks north of the Sample Building (the North Meridian Center main building) in Indianapolis. The lease will also contain a provision for the landlord to renovate (build-out) the instructional space to be used by the College and paid for out of College funds.

During the process of reorganizing the central office of the College, expanding staff for a number of central functions, and a desire to co-locate the Central Office and Region 8 Workforce and Economic Development (WED) offices for synergy benefits, it became clear that additional office space would be needed. The most logical group to move out of the Sample Building was the WED department. Much of their work is done out in business and industry locations and the Region 8 WED was already located in leased property, running short of office space and in need of at least two training/conference rooms and a computer lab.

Space was examined in a number of office buildings as far north as 129th and Meridian Streets in Carmel. The location chosen is in the former Indianapolis Life (now IMG) building bounded by Meridian, Illinois, 29th and 30th Streets and just south of the Children’s Museum. The location is close to the North Meridian Center; has close interstate highway access; and there is sufficient room for the 17 Region 8 WED positions, the seven Central Office WED positions (Rob Jeffs and his administrative assistant will remain in the Sample Building), additional staff for both departments as they expand, two classroom/training rooms, and a computer lab. Violia Water of North America is considering leasing training space in the IMG building and co-locating its training staff in the College’s leased space.

In the proposed lease, the College would rent 15,535 square feet on the second floor and have access to the common areas of the building. Staff would use existing modular furniture supplied by the landlord and a few existing offices. Use of this building would eliminate the need for Region 8’s lease for the WED department in the Marott Building freeing up approximately $36,000 per year of recurring funds. Internal Audit may also move at some later time which would free up additional recurring funds.

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Rent</th>
<th>Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10,550.85</td>
<td>126,610.20</td>
</tr>
<tr>
<td>2</td>
<td>11,198.15</td>
<td>134,377.80</td>
</tr>
<tr>
<td>3</td>
<td>11,845.44</td>
<td>142,145.28</td>
</tr>
<tr>
<td>4</td>
<td>12,492.73</td>
<td>149,912.76</td>
</tr>
<tr>
<td>5</td>
<td>12,499.92</td>
<td>149,999.04</td>
</tr>
</tbody>
</table>
Operating expenditures for the first year are expected to be approximately $101,000 based on sharing the operating costs of the building and would be paid under a separate agreement. The one-time, build-out cost for the two classrooms, a computer lab, and network wiring is estimated to be less than $217,490 and, as with all tenants in the building, would be done by the landlord.

Since the lease term is greater than two years, the rent for the five-year period is greater than $200,000, and the renovation costs will be greater than $200,000, State Trustee approval is needed.

Action Requested: Approval to exercise a lease for space in the International Medical Group Building in Indianapolis and to reimburse IMG for renovation of the leased space.

F. Region 1 – Third technical amendment to State Trustee Resolution 2001-54 for the College’s Construction Manager on the Valparaiso project, $884,246 for staff, fees, and reimbursables (previously approved for Phase 2) plus $200,000 for general conditions.

As you know the College has Phase 1 of its new Valparaiso project under construction and has bid Phase 2 of the project (see Item G below). As some of you may also remember, at their August 2001 meeting, the State Trustees approved the Skillman Corporation as the construction manager for the Valparaiso project and authorized the President or any other appropriate College Officer to negotiate and execute a contract with the Skillman Corporation. Such a contract was negotiated and executed for the entire project. However, only the amount for staff time and fees, based on an assumed fall 2003 starting time and construction duration of 24 months or less, was set in the contract at that time. An amount for reimbursables and general conditions was not set; it was too early in the planning. Subsequently, the General Assembly split the project into two phases. At your October 2004 meeting you approved a technical amendment to Resolution 2001-54 to cover the cost of construction management services for the Phase 1 project including a reduction of staff time and fees (due to a projected construction duration of 22 months instead of 24 months) and the addition of reimbursables and general conditions.

At your August 11, 2005 meeting, the State Trustees approved a request to proceed with the Valparaiso Phase 2 new construction project approved by the 2005 General Assembly in the amount of $20,000,000. At your December 15, 2005 meeting, you approve a second technical amendment to Resolution 2001-54 to cover the cost of construction management services (staff, fees, and reimbursables) for the Phase 2 project at $884,246. The budget for general conditions was not set at that time.

Now that construction is nearing its start and the scope of work and length of the construction period is known, the amount of general conditions items that Region 1 has
asked the Skillman Corporation to handle has been set. General conditions are usually not set until close to bidding. General conditions are those miscellaneous items that need to be done for a project that the Region can choose to do with their staff and pay directly, assign to the construction manager, or assign to a contractor. General conditions typically include items such as bid advertising, permits, project signs, project cleaning, final cleaning, temporary roads, road cleaning, trash removal, testing and inspecting, safety and temporary fencing, temporary toilets, construction utility hook up, temporary utilities, snow removal, and temporary enclosures. Assigning these items to a contractor will usually result in a markup of the costs. The construction manager will arrange for, monitor, and pay for these items without marking up the costs and therefore, regional staff usually assigns these items to the College’s construction manager. The current estimate for general conditions items assigned to the Skillman Corporation for the project is $200,000. Therefore, this technical amendment to Resolution 2001-54 establishes an encumbrance for the Skillman Corporation from which they can be reimbursed, at actual costs, for general conditions items that Region 1 directs them to do.

Since the increased amount is more than 10 percent of their current contract and is technically considered an amendment to the existing contract, it has been determined that State Trustee approval is needed.

Action requested: Approval of a third technical amendment to State Trustee Resolution 2001-54 to establish the general conditions encumbrance for the Skillman Corporation on the Valparaiso Phase 2 new construction project.

POSSIBLE DECISION ITEMS

G. Region 1 – Valparaiso Phase 2 new construction and renovation project, approval of 15 construction contracts, bid evaluation is underway.

This item will approve the construction contracts for the Valparaiso Phase 2 new construction project.

The 2005 General Assembly approved bonding authority in the amount of $20,000,000 for Phase 2 of the Valparaiso new construction project.

Bids were received from 49 different contractors in 15 bid categories (63 total bids): general trades (7 bids received), precast concrete (1 bids received), structural steel (3 bids received), roofing (6 bids received), aluminum entrances and glass (2 bids received), masonry (5 bids received), drywall and acoustics (4 bids received), decorative roofing (2 bids received), painting and wall covering (5 bids received), flooring (3 bids received), casework (3 bids received), HVAC systems (7 bids received), fire suppression (3 bids received), plumbing (7 bids received), and electrical (5 bids received).

Following appropriate College and State policies regarding advertising and bidding procedures, bids were released on April 14, 2006 under a construction management
approach in 15 categories. Bids were due in the Gary campus on May 9, 2006. Bids are being evaluated, and the Region 1 Trustees are expected to make a recommendation to the State Trustees for use at your June 14 and 15 meetings. The resolution provided will be modified based upon bid evaluations and regional trustee recommendations. Funding will come from the Valparaiso Phase 2 project.

Action requested: Approval of 15 construction contracts for the Valparaiso Phase 2 new construction project provided the bids are acceptable.

II. DISCUSSION ITEM

A. Paulien report on the facilities strategic plan

By the time of the June State Trustee meetings, the College will have received at least a draft of the facilities strategic plan being prepared by Paulien and Associates. The facilities strategic plan advisory committee has met with Paulien staff and reviewed their recommendation on ranking criteria and reviewed a large amount of background materials on the review of enrollments, a market analysis, and workforce analysis. The next products to be developed and presented are a series of reviews and recommendation on:

- Space Needs Assessment vs. Comparative Normative Standards
- Lease vs. buy construct
- Guidelines for Adding/Relocating Space, Adding Sites or Significantly Investing in Existing Sites
- Develop Space Utilization Standards and Space Planning Guidelines that are Sensitive to Ivy Tech Characteristics

A summary of the above items will be available prior to the Committee meeting and Dan Paulien will be available at the committee meeting to discuss his company’s reviews and recommendations.

B. Bloomington

Growing out of community meetings involving the Chancellor of Region 14 and Monroe County officials on economic development in the county, the County and its Redevelopment Commission have approached the College and started discussions about construction of a live science incubator on College property.

As many of you know, the college recently acquired approximately 16 acres of ground very near the Bloomington Campus for future development. Environmental Phase I testing prior to the purchase found that the site would support building and parking lot construction. The property is in the Monroe County Tax Increment Finance (TIF) District and the County, through its Redevelopment Commission, desires to build a new facility, using TIF bond funding and a 20-year ground lease from the College. At the end of that period, the bonds would be paid off and the College would take possession and
ownership of the building. Of the proposed 18,000 square foot, $5 million facility, 10,000 square feet would be used for private sector life sciences technology incubator activities and local K-12 science lab support activities. Approximately 8,000 square feet would be dedicated for Ivy Tech science lab and classroom space. The College would not pay for the construction of the building. While there are additional details to be worked out, it is expected that Ivy Tech Region 14 and Monroe County will be seeking the approval of the project at the State Trustees August, 2006 meeting.

C. Committee scope of work for the 2007-09 Biennial Budget process.

As part of its operating budget request, the College may submit requests for additional plant improvement funds. While many of the projects are related to the capital budget request and the lease approvals with which this Committee actively deals, planned improvement and expansion requests are part of the operating budget request and therefore are recommended to the State Trustees by the Finance Committee. However, plant improvement and expansion projects are typically discussed within this Committee. Staff is continuing to work with the regions on projects and expect to have more detail available at the June Committee meeting with final details available for the adoption of the College’s Operating Budget Request at a special meeting in July. The projects are expected to include the following.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Location</th>
<th>Project</th>
<th>2007-08 Amount</th>
<th>2008-09 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marion</td>
<td>New building</td>
<td>$173,100</td>
<td>* †</td>
<td>$369,800</td>
</tr>
<tr>
<td>Madison</td>
<td>New building</td>
<td>$267,000</td>
<td>*</td>
<td>$552,700</td>
</tr>
<tr>
<td>Valparaiso Phase 2</td>
<td>New building</td>
<td>$107,600</td>
<td>** †</td>
<td>$345,900</td>
</tr>
<tr>
<td>Leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portage</td>
<td>Instructional Center</td>
<td>$1,620,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>So. Bend</td>
<td>Classroom space</td>
<td>$165,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ft. Wayne</td>
<td>Public Safety Academy</td>
<td>$47,500</td>
<td>*</td>
<td>$95,000</td>
</tr>
<tr>
<td>Ft. Wayne</td>
<td>Classroom space</td>
<td>$120,000</td>
<td>*</td>
<td>$240,000</td>
</tr>
<tr>
<td>New Castle</td>
<td>Instructional Center</td>
<td>$240,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indianapolis</td>
<td>Culinary Center</td>
<td>$1,200,000</td>
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<td></td>
</tr>
<tr>
<td><strong>Total estimated annual request</strong></td>
<td></td>
<td><strong>$878,150</strong></td>
<td></td>
<td><strong>$4,830,100</strong></td>
</tr>
</tbody>
</table>

* Six months  
** Four months  
† Operating costs less current rent and operating funds provided by the State in a previous biennium.
III. INFORMATION ITEMS

A. A progress report on current projects: recently completed, under construction, or authorized for construction or planning.

Following is a report on the current or recently completed Ivy Tech capital projects. Please note that projects approved over multiple biennia are grouped together by project.

Changes since April:

Marion and Madison projects are under construction

Valparaiso Phase 2 project has been bid
<table>
<thead>
<tr>
<th>Project</th>
<th>Biennium Authorized</th>
<th>Authorized Amount</th>
<th>Gross Square Feet</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ft. Wayne Technology Ctr.</td>
<td>2005-07</td>
<td>2,500,000</td>
<td></td>
<td>Architect and construction manager selected, request to release planning funds submitted, planning on hold</td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logansport planning</td>
<td>2005-07</td>
<td>300,000</td>
<td></td>
<td>Architect and construction manager selected, request to release planning funds submitted, planning on hold</td>
</tr>
<tr>
<td>Greencastle planning</td>
<td>2005-07</td>
<td>250,000</td>
<td></td>
<td>Architect and construction manager selected, release of planning funds approved, planning on hold</td>
</tr>
<tr>
<td>Marion planning</td>
<td>2003-05</td>
<td>250,000</td>
<td></td>
<td>Planning completed</td>
</tr>
<tr>
<td>Marion</td>
<td>2005-07</td>
<td>20,015,000</td>
<td>104,550</td>
<td>Construction is underway, should finish December 2007</td>
</tr>
<tr>
<td>Subtotal Marion</td>
<td></td>
<td></td>
<td>20,265,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>104,550</td>
<td></td>
</tr>
<tr>
<td>Madison planning</td>
<td>2003-05</td>
<td>826,000</td>
<td></td>
<td>Planning completed</td>
</tr>
<tr>
<td>Madison</td>
<td>2005-07</td>
<td>19,144,000</td>
<td>80,700</td>
<td>Construction is underway, should finish new construction December 2007 and renovation August 2008</td>
</tr>
<tr>
<td>Subtotal Madison</td>
<td></td>
<td></td>
<td>19,970,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>80,700</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22,611</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Biennium Authorized</td>
<td>Authorized Amount</td>
<td>Gross Square Feet</td>
<td>Status</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>------------------------------------------------------------</td>
</tr>
<tr>
<td>Portage planning for lease</td>
<td>2003-05</td>
<td>275,000</td>
<td></td>
<td>Architect selected, planning underway, request for lease funds submitted for 2005-07 but not funded</td>
</tr>
<tr>
<td>Valparaiso land and planning</td>
<td>2001-03</td>
<td>2,600,000</td>
<td></td>
<td>Land purchased, planning completed</td>
</tr>
<tr>
<td>Valparaiso Phase 1</td>
<td>2003-05</td>
<td>15,843,000</td>
<td>84,445</td>
<td>Construction underway, should finish June 2006</td>
</tr>
<tr>
<td>Valparaiso Phase 2</td>
<td>2005-07</td>
<td>20,000,000</td>
<td>102,100</td>
<td>Request to proceed approved, bids are being evaluated, construction should start in July 2006</td>
</tr>
<tr>
<td>Subtotal Valparaiso</td>
<td></td>
<td>38,443,000</td>
<td>186,545</td>
<td></td>
</tr>
<tr>
<td>Evansville planning</td>
<td>1999-01</td>
<td>1,000,000</td>
<td></td>
<td>Planning completed</td>
</tr>
<tr>
<td>Evansville Phase 1</td>
<td>2001-03</td>
<td>19,100,000</td>
<td>91,000</td>
<td>Construction and renovation completed</td>
</tr>
<tr>
<td>Evansville Phase 2</td>
<td>2003-05</td>
<td>18,158,000</td>
<td>68,250</td>
<td>Construction and renovation underway, should finish construction July 2006 and renovation March 2007</td>
</tr>
<tr>
<td>Subtotal Evansville</td>
<td></td>
<td>38,258,000</td>
<td>159,250</td>
<td>116,000</td>
</tr>
<tr>
<td>Richmond planning</td>
<td>1999-01</td>
<td>1,708,000</td>
<td></td>
<td>Planning completed</td>
</tr>
<tr>
<td>Richmond Phase 1</td>
<td>2001-03</td>
<td>17,800,000</td>
<td>106,050</td>
<td>Construction complete</td>
</tr>
<tr>
<td>Richmond Phase 2</td>
<td>2003-05</td>
<td>8,780,000</td>
<td>25,540</td>
<td>Construction and renovation underway, should finish construction March 2006 and renovation November 2006</td>
</tr>
<tr>
<td>Subtotal Richmond</td>
<td></td>
<td>28,288,000</td>
<td>131,590</td>
<td>31,891</td>
</tr>
<tr>
<td>Project</td>
<td>Biennium Authorized</td>
<td>Authorized Amount</td>
<td>Gross Square Feet</td>
<td>Status</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Indianapolis Fairbanks</td>
<td>2003-05</td>
<td>10,000,000</td>
<td>250,000</td>
<td>Purchase completed</td>
</tr>
<tr>
<td>Donations for renovation</td>
<td></td>
<td>6,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal Fairbanks</td>
<td></td>
<td>16,000,000</td>
<td>250,000</td>
<td>Phase 7 renovations being underway</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>164,549,000</td>
<td>912,635</td>
<td>170,502</td>
</tr>
</tbody>
</table>
B. Possible action items for future meetings.

The following projects have been identified as possible action items for this Committee at future State Trustee meetings.

*Region 6 land acquisition projects* - Region 6 has several properties in its land acquisition plan that may be available for purchase within the next year.

*Region 8 land acquisition projects* - Region 8 has several properties in its land acquisition plan that may be available for purchase within the next year.

*Region 8 renovation projects* – Region 8 has one or more renovation projects and a parking lot project that may exceed $200,000 and would therefore need State Trustee approval: 1) additional renovations of the Fairbanks building, and 2) one or more additional parking lot projects at the North Meridian Center.

*Region 12 land acquisition projects* - Region 12 has several properties in its land acquisition plan that may be available for purchase within the next year.
AUDIT COMMITTEE

June 15, 2006

The Audit Committee will have no action items to bring forward. A report will be provided at the State Board of Trustees meeting on June 15, 2006.