

**MINUTES OF THE SPECIAL MEETING TELECONFERENCE
OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE
MAY 1, 2006**

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' by-laws 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 staff, 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:

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