

**State of Indiana  
Commission for Higher Education**

**Minutes of Meeting**

**Friday, May 13, 2011**

**I. CALL TO ORDER**

The Commission for Higher Education met in regular session starting at 9:00 a.m. at Indiana University, Kelley Center, Room 130, 2300 S. Washington St., Kokomo, Indiana, with Chair Mike Smith presiding.

**II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM**

*Members Present:* Cynthia Baker, Gerald Bepko, Dennis Bland, Carol D’Amico, Susana Duarte de Suarez, Jud Fisher, Keith Hansen, Chris LaMothe, Marilyn Moran-Townsend (via conference call), Chris Murphy, George Rehnquist, and Mike Smith.

*Members absent:* Eileen O’Neill Odum, Ken Sendelweck.

Dr. Richard Helton, President, Vincennes University, also attended the meeting.

**III. CHAIR’S REPORT**

Mr. Smith invited Dr. Michael Harris, Chancellor of Indiana University Kokomo, to give welcoming remarks. Dr. Harris welcomed Commission to the campus. He thanked the Commission members for the work they do and said that the faculty and staff followed the *Reaching Higher* document, which gave them directions on what they need to do to meet the Commission’s expectations.

Mr. Smith welcomed a new At Large member of the Commission, Mr. Chris LaMothe. Mr. Smith briefly described Mr. LaMothe’s previous work as a Chairman of the Indiana Chamber of Commerce, as well as his most recent experience in the private sector.

Mr. Smith invited Ms. Baker to speak about the Faculty Leadership Conference, which took place on April 29th. Ms. Baker gave a brief recap of the Conference, the subject of which was “*Faculty Engagement toward Student Learning Outcomes*”. Sixty representatives from 27 campuses attended the conference. Dr. Carol Geary Schneider, President, Association of American Colleges and Universities, was the keynote speaker.

Mr. Smith acknowledged the work Ms. Baker did as a faculty representative on the Commission and thanked her and Mr. Hansen, student representative on the Commission, for taking to a new level the engagement and participation of student and faculty constituency.

Mr. Smith asked Ms. Teresa Lubbers, Commissioner, Commission for Higher Education, to comment on the Kent Weldon Conference, which took place on April 15<sup>th</sup>.

Ms. Lubbers noted that the focus of the Kent Weldon Conference, as well as the Faculty Conference, was on learning outcomes. Ms. Lubbers said that it is very important to insure quality learning and to understand what learning outcomes really mean. Ms. Lubbers pointed out

that the Commission continues to press for more degree attainment through the performance funding formula. In this connection, Ms. Lubbers commended Chancellor Harris for focusing on more degrees and insuring quality at the same time. In conclusion, Ms. Lubbers thanked those Commission members who were able to attend the conference.

Ms. Lubbers suggested that in the future the Commission members consider combining all three conferences (Student Leadership, Faculty Leadership and Weldon Conference) every three to four years.

Mr. Smith stated that the Commission adopted a framework document *Reaching Higher*, in which the Commission addressed a goal for Indiana's higher education system to increase the number of high quality degrees and certificates. Mr. Smith pointed out that it is time to formally establish the Commission's efforts to set more specific targets for Indiana's higher education system.

Mr. Smith read the resolution to set clear college completion and credential targets.

**R-11.03-1**      **WHEREAS** the Indiana Commission for Higher Education is charged by state statute with planning and coordinating Indiana's system of higher education; and

**WHEREAS** the Commission developed and adopted its *Reaching Higher* strategic plan with the recognition that Hoosiers need an unprecedented level of educational attainment for Indiana to compete and to thrive; and

**WHEREAS** the Commission translated the principles of *Reaching Higher* into a set of state goals and actions for driving college preparation, affordability, completion and economic development; and

**WHEREAS** clear completion and college credential production targets are essential to informing and driving progress across the Indiana's higher education system and among the state's colleges and universities; and

**WHEREAS** the goals of *Reaching Higher* must continuously be refined to ensure the state's higher education system meets Indiana's needs for college completion, degree production and workforce development;

**NOW THEREFORE** be it resolved, that the Indiana Commission for Higher Education:

**Affirms its role as a national leader in increasing the percentage of Hoosiers with a quality college degree or credential to 60 percent by 2025; and further**

**Commits to establishing college credential production targets for the state system, Indiana's higher education institutions and individual campuses by the end of 2011 in an effort to reach this goal (Motion – Hansen, second – Fisher, unanimously approved.)**

#### **IV. COMMISSIONER'S REPORT**

Ms. Lubbers acknowledged the presence in the audience of State Representatives Tom Dermody and Mike Karickhoff. Ms. Lubbers especially recognized Representative Dermody's leadership on higher education issues, and thanked both legislators for their service.

Ms. Lubbers welcomed Mr. LaMothe on the Commission, saying that he brings a strong commitment to education.

She also thanked Chancellor Harris for his leadership and all the work the university does for students and the region.

Ms. Lubbers announced that the 2011 Faculty Nominating Committee met on April 25<sup>th</sup>, and chose three names, which were forwarded to the Governor for consideration. The Commission should have a new faculty representative by June's meeting.

Ms. Lubbers provided an update on the legislative session. Much of the session's focus was on education, especially on K-12 issues. K-12 is seeking to improve the preparation of their students, which makes the work of the higher education more rewarding. Ms. Lubbers also mentioned the work on the budget and the commitment of the legislature to performance funding. The Commission indicated the desire to have five percent of the funding for higher education to be allotted to performance metrics, and at least 50 percent of this funding would be assigned to degree performance metrics. The General Assembly met those goals.

Ms. Lubbers also mentioned the work the Commission did on the financial aid study over the course of the last year. She noted that Representative Dermody was a point person on this study. Several of the Commission's recommendations were accepted during the legislative session.

#### **V. CONSIDERATION OF THE MINUTES OF THE MARCH 2011 COMMISSION MEETING**

**R-11-03.2 RESOLVED:** That the Commission for Higher Education hereby approves the Minutes of the March 2011 regular meeting (Motion – Duarte de Suarez, second – Murphy, unanimously approved)

#### **VI. DISCUSSION ITEMS**

##### **A. Presentation on Prior Learning Assessments by the Council for Adult and Experiential Learning (CAEL)**

Dr. Ken Sauer, Senior Associate Commissioner, Research and Academic Affairs, gave a brief introduction and overview of CAEL. He introduced Dr. Pam Tate, President and CEO, CAEL, and invited her to present the report.

Dr. Tate began by giving the history and the mission of CAEL, which is to expand lifelong learning opportunities for adults. Dr. Tate spoke about LearningCounts.org, as CAEL's solution to help students demonstrate their prior learning. Dr. Tate mentioned the funders of LearningCounts.org, as well as national partner organizations (The College Board and the American Council on Education – ACE) and partner institutions. She mentioned that Ivy Tech Community College and Indiana University School of Continuing Studies are among those institutions.

Dr. Tate said that partner institutions are sending CAEL students for assessment, and then CAEL gets feedback from these institutions. Dr. Tate explained the process of evaluating prior learning for course credit by ACE. She spoke about some policies that would have to be changed in Indiana, so that the assessment process could work for adults.

CAEL has come up with three policies. The first is the financial aid issue; if the state financial aid could cover the cost of assessment, this will help people to complete colleges more quickly.

Dr. Tate described the second area that CAEL looked at: the possibility to use an individual training account that is offered to the unemployed through workforce system in Indiana, to cover the cost of assessment. So far this money has only been used for training. CAEL met with the head of workforce system in Indiana, and it was confirmed that it is possible to do, so Indiana could become a model for other states to foster this practice.

The third policy Dr. Tate spoke about is changing employer tuition policy. At present the tuition is only for training purposes, but not for assessment for learning. If these policies could be changed, companies could have their employees go back to the institutions and finish more quickly and at a lower cost. Dr. Tate said that the first company to have a contract with CAEL was Starbucks, and now they work with McDonald Corporation, Verizon, Verizon Wireless and other large corporations, that are currently changing their tuition practices.

Dr. Tate pointed out that CAEL would like to collaborate with the Commission for Higher Education and the Department of Workforce Development to get the message out to Indiana employers regarding changing corporate tuition practices in order to further the college completion agenda in Indiana.

Dr. Tate said that Indianapolis is one of 57 cities in the USA competing for the Talent Dividend Prize that has just been launched by CEOs for Cities. One million dollars will be given to the city that increases its college graduation rates by one percent in the next three years. Dr. Tate said that the USA needs higher percentage completion rates not only in order to compete with other countries, but because this will bring economic benefits to our cities and states.

Dr. Tate said that currently in Indiana more public than private institutions offer more assessment options and that 81% of the institutions surveyed said that there will be an increased need for prior learning assessment opportunities for the students in the future.

Mr. Smith thanked Dr. Tate for her presentation.

Mr. Murphy commented that many large businesses offer their employees training courses, for which employees can receive credit. He asked how CAEL encourages this and makes this happen. Dr. Tate responded that the employees have an opportunity to go through assessment of the prior learning the businesses had offered by going to LearningCounts.org and starting the process. She added that the business, through their tuition program, could pay for these assessments.

Mr. Hansen asked whether there is an age limit for the students. Dr. Tate responded that anyone who has any college level learning that was received somewhere else, is eligible for assessment.

Mr. Bland asked whether CAEL has any intention to address the needs of the population that has been incarcerated. Dr. Tate responded that CAEL has their first potential partnership with Kansas State Department of Corrections, and would be happy to work in Indiana.

Ms. Duarte de Suarez asked whether CAEL has any public outreach. Dr. Tate confirmed that the Lumina Foundation helped CAEL to launch a major social marketing campaign, which starts on June 1<sup>st</sup>.

Mr. Smith acknowledged the work of Dr. Charles Bantz, Chancellor of IUPUI, and Mr. Brian Payne, head of the Central Indiana Community Foundation, who are actively involved with CEOs for Cities.

## **VII. DECISION ITEMS**

### **A. Academic Degree Programs**

#### **1. Doctor of Philosophy in Urban Education Studies to Be Offered by Indiana University through its IUPUI Campus**

Dr. Barbara Bichelmeyer, Associate Vice President for Academic Planning, Indiana University Bloomington, presented this proposal.

This degree proposal was presented to the Commission in February, at which time members decided to table taking action on it. Dr. Bichelmeyer said that as a result of discussions with the Commission members and staff, a few changes were made to the proposed program. Dr. Bichelmeyer briefly outlined these changes.

Mr. Smith shared some comments provided to him by members of the Commission who were unable to attend the meeting. There is an on-going concern regarding the use of state funds to create a separate degree program, especially since a similar educational doctoral degree program already exists. Even though the staff recommendation states that no new state funding is required, this new program will inherently increase a need of additional administration, thus possibly triggering the necessity of additional spending, whether this is an allocated or a new cost. Mr. Smith asked for a clarification on this matter.

Dr. Bichelmeyer responded that she spoke to IU's budget officer, and he provided her with the estimate that confirms that the only additional expenditure would be from the tuition and fees that are gained by students enrolled in the program. If students enroll in the program, they will provide the finances needed to teach courses.

Mr. Smith wanted to make sure the records of the meeting show that the questions from the absent Commission members were addressed.

Mr. Smith asked whether Indiana University was participating in the Woodrow Wilson's Fellows STEM programs. Dr. Pat Rogan, Executive Associate Dean, Education, IUPUI, confirmed that IUPUI is participating, but IU Bloomington is not.

Dr. Sauer gave the staff recommendation.

**R-11-03.3**     **RESOLVED:** That the Commission for Higher Education approves the *Ph.D.in Urban Education Studies* to be offered by Indiana University through its IUPUI Campus, in accordance with the background discussion in this agenda item and the *Abstract*, April 29,2011; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, April 29, 2011 (Motion – Fisher, second – Rehnquist, unanimously approved)

## **2. Academic Degree Programs on Which Staff Propose Expedited Action**

Staff presented a list of degree program proposals for expedited action.

**R-11-03.4**     **RESOLVED:** That the Commission for Higher Education hereby approves by consent the following degree programs, in accordance with background information provided in this agenda item:

- Bachelor of Science in Human Life Science to be offered by Indiana State University East at Richmond
- Bachelor of Science in Biochemistry to be offered by Indiana University East at Richmond
- Bachelor of Science in Health Sciences to be offered by Indiana University Kokomo in Kokomo
- Bachelor of Science in Biochemistry to be offered by Indiana University Kokomo in Kokomo (Motion – Fisher, second – Bepko, unanimously approved)

## **B. Capital Projects**

### **1. Qualified Energy Savings Project at Indiana University – Purdue University Indianapolis**

Dr. Thomas Morrison, Vice President of Capital Projects and Facilities, Indiana University, presented this project.

Mr. Smith asked whether Indiana University has collaborated with any large for-profit contractors who lead the movement of energy conservation across the country.

Dr. Morrison said that this is exactly how IU does it. They utilize a consultant to come in to identify the projects in select buildings, and then IU reviews the projects and selects the consultant who can give them the best return.

Mr. Smith announced that he will have to abstain from the vote on this project, since he is a board member of Vectren Corporation, a company that is in this business and competes for this type of work.

Mr. Smith asked Dr. Morrison to speak to some options that many of the contractors offer to their clients. Dr. Morrison explained that IU elected not to use the option of guaranteed savings, because IU believes they could monitor this internally. IU is starting to look at certain types of solar and wind alternatives that might help finance this project in a different way.

Mr. Hansen asked what the expected return in savings is for this project. Dr. Morrison responded that the financing is for ten years; IU's goal is between five and eight years.

Mr. Bland asked whether IU could quantify the savings. Dr. Morrison responded that doing it as a simple basis of \$1.3 million a year at 5.8 percent over a ten year period the return would be 30-40 percent above and beyond the debt.

Mr. Jason Dudich, Associate Commissioner and Chief Financial Officer, gave the staff recommendation.

Dr. Bepko wanted to say for the record that he is a board member of Citizens Energy, but he will vote in favor of the project.

Mr. Bland said that he is also a board member of Citizens Energy, and he will abstain from voting for the project.

**R-11-03.5**      **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *Qualified Energy Savings Project at Indiana University – Purdue University Indianapolis*, in accordance with the background information provided in this agenda item (Motion – Bepko, second – Hansen, two abstained, approved)

## **2. New Third and Union Residence Hall Complex at Indiana University Bloomington**

Dr. Morrison presented this project.

Mr. Hansen asked whether the fees for the housing will be increased. Dr. Morrison responded that the fees have not been established yet, but there will be a lot of options for students. Mr. Hansen asked whether the new housing is expected to be fully occupied. Dr. Morrison confirmed that they would.

Mr. Smith related to Dr. Morrison some concerns from a commission member who was unable to attend the meeting. These concerns were regarding the dorm rates and making sure that the Commission does not add potentially higher dorm increases to the future tuition increase. Dr. Morrison responded that IU has a variety of space. Four percent of the units are single units; 32 percent are single bedroom units. Dr. Morrison said that IU could have sold the single units many times over, but they choose not to do this; this is what drives the low cost per square foot.

As to overall rates, Dr. Morrison explained that IU is trying to take a longer view over their capital needs, which are reflected in on campus housing rates. They are looking at it as a long-term; and they are saving money over the long-term, knowing that they will have to reinvest in future facilities on campus. The increase in residence hall rates over the entire campus is only five percent from the previous year.

Mr. LaMothe asked whether there has been a serious effort to look at the privatization of the building and R&R. Dr. Morrison confirmed that the university has previously looked at this option.

Mr. Dudich gave the staff recommendation.

Mr. Hanson asked whether freshmen are required to live on campus. Mr. Dudich confirmed that.

Ms. Duarte de Suarez asked whether it is possible to request from IU a history of on campus housing rates, to see the total impact on students across the board. Dr. Morrison responded in the affirmative.

**R-11-03.6      RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *New Third and Union Residence Hall Complex at Indiana University Bloomington*, in accordance with the background information provided in this agenda item ( Motion – Bepko, second – Blend, unanimously approved)

### **3. New Third and Union Apartment Complex at Indiana University Bloomington**

Dr. Morrison presented this project.

Ms. D'Amico asked why the university is in the apartment business; why not let the private sector take over. Dr. Morrison responded that 70 percent of the IU students are renting in the private market. Some students prefer to live on campus, and this is one of the options the university wants to offer them.

Mr. Smith asked whether the university could hire a private constructor to build and manage the apartment complex according to the university's specifications. Dr. Morrison responded in affirmative. Mr. Smith asked why the university would like to commit the university capital to this project. Dr. Morrison explained that there is never interplay between the university capital and housing capital. Those are two separate sides, according to state statutes. The university cannot take housing funds and fund the university. Mr. Smith asked whether this fund can be used for other dorms. Dr. Morrison responded in the affirmative.

Ms. Duarte de Suarez asked whether the fees for the students would be reduced if this complex was managed by a private sector. Dr. Morrison responded that it depended on how much the students are paying in the private market.

Mr. Smith said that he asked IU for some additional information, and he received a report that is called "Auxiliary Enterprises". This shows \$193 million gross surpluses. Mr. Smith said that he would assume that in tough economic times the surplus in one area

could be applied to another area, but it seems that this is not the case; there are two different enterprises. Dr. Neil Theobald, Vice President and CFO, Indiana University, confirmed that according to state statutes IU cannot take money from the Auxiliary Enterprises fund and apply it to general operations fund.

Mr. Smith relayed to Dr. Morrison a comment from Ms. Odum, that military and other similar institutions have demonstrated a trend to get out of the apartment business. Ms. Odum wondered why IU persists in staying in the business of building an apartment complex. Dr. Morrison went back to his original comments on the matter of student housing versus military housing. Military housing is the family type housing; student housing that IU offers is in interest of creating a community, and is a part of the learning process for students. Dr. Morrison also stated that IU is often approached by developers, but never on the Bloomington campus. Typically, the developers are looking mostly to build townhouses for professional students.

Dr. Morrison added that there is another problem which IU and other peer universities face sometimes: the developer begins construction and then goes out of business; in this case, the university sometimes feels obliged to buy the construction. Mr. Smith agreed that this is a complicated situation.

Mr. Dudich gave the staff recommendation.

Mr. Smith stated that he is going to vote “No” on this project, in quest of broader strategic review of private versus institutional ownership alternative. Mr. Smith added that the Commission needs to take a look at the frangibility of the reserves.

Due to a few other “No” votes, a roll call vote was taken. The project was approved by the majority of votes.

**R-11-03.7**      **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *New Third and Union Apartment Complex at Indiana University Bloomington*, in accordance with the background information provided in this agenda item (Motion – Bepko, second - Fisher, approved).

#### **4. Capital Projects on Which Staff Propose Expedited Action**

**R-11-03.8**      **RESOLVED:** That the Commission for Higher Education approves by consent the following capital projects, in accordance with the background information provided in this agenda item:

- Michael A. Carroll Track and Soccer Stadium Field Replacement at Indiana University – Purdue University Indianapolis: \$1,200,000
- Warehouse Renovation at Indiana University Bloomington: \$2,275,000

- Homeland Security/Public Safety Renovation at Vincennes University: \$2,000,000 (Motion – Rehnquist, second – Hansen, unanimously approved)

**C. Adoption of Non-Binding Tuition and Mandatory Fee Targets for 2011-12 and 2012-13**

Mr. Smith thanked Commissioner Lubbers and the Commission's staff for their six-month long work on recommendations, which they made using a careful assessment of recent trends and increases in cost of higher education, as correlated to a decade long trend of lack of growth in personal income in our state.

Mr. Dudich presented this item. He explained that, by law, the Commission must recommend the non-binding tuition and mandatory fee increase targets for each public educational institution. Mr. Dudich acknowledged the participation of the Commission members, institutions, and national experts, who were involved in this process.

Mr. Dudich gave an overview of the process. He said that the Commission contacted NCHEMS (National Center for Higher Education Management Systems), and they provided feedback regarding approved metrics used by the Commission.

Mr. Dudich explained that the dates the staff used range from 2006 to 2011. Out of thirty possible metrics, the staff selected five: the consumer price index, the Indiana per capita personal income, the average resident undergraduate tuition and mandatory fee in Indiana's two- and four-year institutions; state operating appropriations per undergraduate resident FTE; and the state financial aid public award cap, calculated each year by SSACI (State Student Assistance Commission of Indiana) to be handed out to students attending public institutions.

Rather than apply all five metrics to each individual campus, Commission staff felt that they needed to establish a base at which to start each institution. For this purpose, the staff took two of the five metrics: the consumer price index and Indiana per capita income; and used the average change that took place over two years, to come up with the base target of 2.5 percent.

After that, the staff looked at each institution, to see how they differentiate from each other, and whether the institution should be higher than 2.5 percent: either 2.5, 3, or 3.5 percent, not to exceed 3.5 percent.

During this process the staff looked at three other factors mentioned earlier: state operation appropriations per FTE, state financial award public aid cap, and the tuition that is charged to resident undergraduate students. The staff also took into consideration the mission differentiation among each campus, as well as their access and affordability.

Mr. Dudich pointed out that the Commission recognizes that many of Indiana's postsecondary institutions are facing the budget reductions. The Commission challenges every institution to use other means available, including finding efficiencies, reducing costs, and seeking other revenue sources before turning to students and their families for additional revenue. The recommendations presented

to the Commission assume that every institution will make every reasonable effort to maximize these other means.

Mr. Dudich went over the Commission recommendations for each state institution. IU Campuses: Bloomington – 0 - 3.5 percent, East – 0 - 2.5 percent, Kokomo – 0 - 2.5 percent; Northwest – 0 - 2.5 percent; Southeast – 0 - 2.5 percent, IUPUI – 0 - 2.5 percent.

Tuition increases for Purdue campuses: West Lafayette – 0 - 3.5 percent, Calumet – 0 - 2.5 percent; North Central – 0 - 2.5 percent; IPFW – 0 - 2.5 percent. Mr. Dudich explained that in 2009 the General Assembly authorized the construction of the Student Recreational Center Expansion and Renovation at PU West Lafayette. In order to pay for this project, Purdue will be adding one percent increase to their tuition and fees in the upcoming year.

Tuition increases for the rest of the state institutions: Indiana State University – 0 - 2.5 percent; University of Southern Indiana – 0 - 3.0 percent; Ball State University – 0 - 3.0 percent; Vincennes University – 0 - 2.5 percent; and Ivy Tech all campuses – 0 - 3.0 percent. All these tuition increases apply for both 2011-12 and 2012-13 academic years.

Mr. Smith asked approximately what percentage of the undergraduate students on the Bloomington campus will pay standard rate. Mr. Dudich responded that based on the enrollment numbers he received from the university it would be 89 percent of the population. Mr. Smith said that sometimes the Commission hears from various sources about extraordinarily higher percentage increases, so he wanted to make sure that for the vast majority of undergraduate resident students this data will apply. Mr. Dudich confirmed this.

Mr. Hansen thanked the Commission and staff for focusing on students' affordability while still considering the quality and mission differentiation among the institutions.

Mr. Bland asked for some clarification on the tuition rates at Purdue University. Mr. Dudich explained that the difference in rates depends on the type of program the students are in.

Mr. Murphy made a comment that the Commission is trying to draw attention of Hoosiers to an importance of a degree completion in Indiana, rather than to focus just on a cost of education.

Mr. Smith remarked that the Commission, being a coordinating agency, has a deep concern for its statutory duties, and that is what the recommendations refer to. Mr. Smith assured representatives from the state institutions that the Commission has no intention of telling them how to operate in order to get to the desired economic outcomes.

Dr. Bepko made a following statement: "When I first saw the classifications developed for purposes of setting tuition targets, I thought they contained an effort to reclassify IUPUI as a regional campus. In my view such a reclassification would be unwise, but that was not the intent of the ICHE staff proposal. Let me explain.

IUPUI has long since moved from being a regional campus by establishing a broad range of programs of research and teaching consonant with its mission and its emergence as a leader of a new generation of urban public campuses devoted to engagement and impact. This is the policy of IU as adopted by its Trustees.

Apropos of its urban university focus, the word “impact” is in the title of the current campaign for IUPUI. This is a \$1.25 billion dollar campaign that will end, most likely successfully, in 2013. While most of the funds raised in the Campaign will be for health sciences, a substantial portion will be for the General Academic Programs. This is a pattern that was followed in the Campaign for IUPUI titled “The Future is Here”, which ended in 2004 with a total of \$1.04 billion. These campaigns seem to make clear that the IU vision for IUPUI is well supported by the relevant alumni and communities.

This strong vision and the increase in new advanced programs of value to Indiana and its Capital Region, along with relatively low IUPUI General Academic state funding, has caused the default rate for undergraduate tuition to be set at a higher level than for the regional campuses. At the same time the commitment to engagement and to the population center’s student populations caused IUPUI to continue to provide opportunities for students whose paramount need is access and affordability. It is this cohort of students that the ICHE is attempting to address in its recommendation for IUPUI General Academic Programs by placing them in the stratum that involves the least flexibility in setting tuition rates.

Properly understood, the tuition recommendations do not reclassify IUPUI’s General Academic Programs. Instead, the goal of these targets is to address those students who are in need of affordability and access points. They often will be low income students who don’t have opportunities for institutional financial aid. These tuition targets address a need to protect low income students whose ability to pay for college may be overcome by tuition increases.

Also, the tuition target applies only to what is called the default rate. This does not restrict tuition rates in those special programs that have higher costs, more demanding threshold requirements, and special opportunities for their graduates. This includes undergraduate academic programs, such as those in the School of Nursing, Engineering, Science, Kelley School of Business, and the Herron School of Art. These programs have not been covered by the default rate in the past and will be considered exceptional cases in the 2011-2013 cycle.

A matter about the makeup of the IUPUI General Academic Program undergraduate students seems to remain open. Data developed in this process show that these IUPUI General Academic programs have attracted more and more high performing students. This is at odds with the description of a “primary affordability and access point.” Entering credentials of the most recent first year class have SAT and Class Rank characteristics in many categories that are approaching or equivalent to Ball State, and higher than Indiana State and the University of Southern Indiana.

Also, in IUPUI’s General Academic Programs institutional financial aid has increased greatly. It has been a point of pride and a matter of emphasis for Chancellor Charles Bantz. It is not clear, therefore, whether or to what degree this

defining characteristic of this ICHE classification criterion continues to fit IUPUI General Academic.

Finally, while there is no suggestion that these tuition targets are being used to balance or set off for other perceived benefits or disadvantages deriving from the actions of the 2011 General Assembly, it is worthy of note that IUPUI General Academic Programs have performed very well under the ICHE established performance standards. Based on these funding formulas they have earned for 2011-2013 a total of more than \$10 million, which is more than any other campus including IU Bloomington and PU West Lafayette. This includes a very large Performance Funding allocation for an increase in the number of degrees awarded and an impressive award for increases in research funding. This is for increases only in the IUPUI General Academic Programs. The performance payment for research was nearly as large as the award for IUPUI Health and a little less than twice the award for IU Bloomington. While this should not be a justification for restricting tuition increases to the lowest level, it does tend to help with the resource situation in the IUPUI General Academic Programs.

The study of these issues will continue, but there is a need now to move ahead. Staff has invested heavily in their recommendations which are generally very well researched and reasoned. Given my discomfort in being a lone voice or one of a small minority of persons who have serious reservations about this aspect of the Tuition Target process; given my discomfort with urging a change in an important and carefully prepared, broadly supported staff recommendation dealing with IU/IUPUI, with which I am closely associated; given my profound commitment to the collegiality and high minded debate that prevails under Mike Smith's leadership, as it did under Jon Costas' and Chris Murphy's leadership; and in light of my deep respect for Teresa (Lubbers) and our succession of chairs; my conclusion is that this proposal should go forward for adoption. With these comments, caveats, and the expected continuing review of tuition setting, I will support it."

**R-11-03.9**            **RESOLVED:** That the Commission for Higher Education adopts the recommendation of non-binding tuition and mandatory fee increase targets for each of Indiana's public postsecondary institutions for 2011-12 and 2012-13 consistent with this agenda item (Motion – Murphy, second – Fisher, unanimously approved)

**D.    Policy on Dual Credit Courses Taken in a High School Setting**

Mr. Jon Gubera, Associate Commissioner for Policy and Planning Studies, presented this item.

Mr. Gubera asked for an amendment to the document on page 67 in the Agenda book: the word "*courses*" is to be added after word "*credit*" in the sentence "**The Indiana Commission for Higher Education's Policy on Dual Credit Taken in a High School Setting**".

**R-11-03.10**        **RESOLVED:** That the Commission for Higher Education approves, as amended, the *Policy on Dual Credit Courses Taken*

*in a High School Setting*, dated May 6, 2011 (Motion – Hansen, second – Rehnquist, unanimously approved as amended)

**E. Policy on Vincennes University’s Role and Mission**

Mr. Gubera presented this item.

Mr. Smith thanked Dr. Helton for indulging the Commission in this process, which may establish a precedent to involve the Commission’s taking a look at similar documents for other institutions.

Mr. Murphy suggested that Dr. Helton make some comments.

Dr. Helton thanked the Commission, in particular Commissioner Lubbers, for their hard work. This has been a healthy process, and VU needed to be identified in terms of what its role is, so all these discussions and meetings have been fruitful.

Ms. Lubbers especially acknowledged Mr. Sendelweck and Mr. Rehnquist for their help to the Commission’s staff during their work on VU’s policy.

**R-11-03.11 RESOLVED:** That the Commission for Higher Education approves the *Policy on Vincennes University’s Role and Mission* (Motion – Bland, second – Fisher, unanimously approved)

**VIII. INFORMATION ITEMS**

- A. Status of Active Requests for New Academic Degree Programs
- B. Capital Improvement Projects on Which Staff Have Acted
- C. Capital Improvement Projects Awaiting Action
- D. Minutes of the March Commission Working Sessions

**IX. NEW BUSINESS**

There was none.

**X. OLD BUSINESS**

There was none.

**XI. ADJOURNMENT**

The meeting was adjourned at 11:45 a.m.

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Mike Smith, Chair

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Jud Fisher, Secretary