



INDIANA *for* COMMISSION
HIGHER EDUCATION

MEMORANDUM

To: Those Concerned
From: Teresa Lubbers
Commissioner
Date: November 10, 2010
Subject: Commission Meeting

Attached is the Agenda for the special November Commission meeting. The meeting schedule is as follows:

Friday, November 12, 2010 (Eastern time)

Lumina Foundation for Education
30 S. Meridian Street
Indianapolis, IN 46204

10:00 a.m. – 12:00 p.m. Commission meeting, Convening Center, 7th Floor

If you have questions, suggestions, or need a reasonable accommodation, please contact this office.

* The Commission for Higher Education abides by the Indiana Open Door Law (Indiana Code 5-14-1.5). All business meetings are open to the public. (Meals will not be provided.)

AGENDA

Commission for Higher Education

COMMISSION MEETING

Lumina Foundation for Education

Convening Center, 7th Floor

30. S. Meridian Street

Indianapolis, IN 46204

Phone: 317-951-5300

Friday, November 12, 2010

- I. CALL TO ORDER -- 10:00 a.m.
- II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM
- III. CHAIR'S REMARKS
- IV. COMMISSIONER'S REPORT
- V. CONSIDERATION OF THE MINUTES OF THE OCTOBER COMMISSION MEETING1
- VI. DISCUSSION ITEM
 - A. University Capital Project Review Guidelines
To be distributed.
- VII. DECISION ITEMS (*Carried forward from the October 2010 agenda*)
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IX. OLD BUSINESS

X. NEW BUSINESS

XI. ADJOURNMENT -- Approximately 11:30 a.m.

The next meeting of the Commission will be on December 10, 2010, in Indianapolis.

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Friday, October 8, 2010

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9: 05 a.m. at the Indiana Memorial Union, Georgian Room, 900 E. 7th St., Bloomington, Indiana, with Chair Michael Smith presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Cynthia Baker, Gerald Bepko, Dennis Bland, Susana Duarte de Suarez, Jud Fisher, Keith Hansen, Marilyn Moran-Townsend, Eileen O’Neill Odum, Ken Sendelweck, Mike Smith.

Members participating via conference call: Jon Costas.

Members Absent: Carol D’Amico, Chris Murphy, George Rehnquist.

The following institutional presidents attended the meeting: Dr. Linda Bennett, University of Southern Indiana; Dr. Jo Ann Gora, Ball State University; Dr. Michael McRobbie, Indiana University, and Mr. Thomas Snyder, Ivy Tech Community College. Dr. Richard Ludwick, President of Independent Colleges of Indiana, also attended the meeting.

III. CHAIR’S REPORT

Mr. Smith thanked President McRobbie for hosting a reception for the Commission members on the previous night. He also thanked President McRobbie for joining the Commission members for breakfast and sharing with them the vision strategy and priorities of Indiana University. Mr. Smith mentioned that President McRobbie and his three children would become American citizens on Monday, October 11th, and on behalf of the Commission Mr. Smith extended his welcome and congratulations.

President McRobbie welcomed the Commission to campus.

IV. COMMISSIONER’S REPORT

There was none.

V. CONSIDERATION OF THE MINUTES OF THE SEPTEMBER 2010 COMMISSION MEETING

Mr. Smith announced that on page 8 of the agenda booklet, the phrase should read: “The number of **high schools participating in** dual credit courses has increased from 90 to 150”, instead of “**high school students taking** dual credit courses”.

R-10-08.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the September 2010 regular meeting as amended. (Motion – Duarte de Suarez, second – Hansen, unanimously approved)

VI. DISCUSSION ITEMS AND BIENNIAL BUDGET HEARINGS

A. Fall 2010 Enrollment at Indiana Public Higher Education Institutions

Ms. Jennifer Seabaugh, Manager of Information Research, Commission for Higher Education, presented this item. Each fall institutions submit a fall enrollment survey to the Commission for Higher Education. Ms. Seabaugh presented a compilation of this data, detailing the fall headcount enrollment by status, fall headcount and FTE enrollment, both in public two- and four-year institutions. She also made a fall enrollment state comparison between three states: Ohio, Illinois, and Minnesota. This comparison shows that Indiana’s enrollment is considerably higher than enrollment in any of these states.

Ms. Seabaugh presented the charts showing fall headcount enrollment by student level and by residency status, as well as fall reciprocity headcount enrollment on some four-year campuses and a few Ivy Tech campuses.

Mr. Smith thanked Ms. Seabaugh for her presentation and especially for gathering the data on neighboring states.

B. State Student Assistance Commission (SSACI)

Ms. Claudia Braman, Executive Director, presented this item. She spoke about SSACI’s mission: make college more affordable for Hoosier families with grant programs; allow choice by granting awards to students at public, independent and proprietary colleges; and make the delivery of awards as simple as possible through research and technology.

Ms. Braman gave a brief overview of SSACI programs. The largest being the Frank O’Bannon Grant Program, which is comprised of the Higher Education Award and Freedom of Choice Grant. This is the largest need-based program available to full-time students.

Ms. Braman spoke about the Twenty-first Century Scholars Program, which is designed to support and encourage young people from lower-income families to enter college through early intervention strategies and grants. Students are enrolled while in the seventh or eighth grade.

Ms. Braman commented on other SSACI grant and scholarship programs, available for young Hoosiers pursuing various careers, as well as programs for members of the Indiana Air and Army National Guard, and for children of certain veteran and public safety officers.

Ms. Braman gave a brief overview on how Indiana's financial aid budget looks compared to surrounding and similar states, which experience considerable cuts in state funding. Ms. Braman also spoke about the challenges facing SSACI due to Indiana state budget cuts. They include: tuition increases, increased utilization of awards, increase in eligible applicants, increases in 21st Century enrollment, and a few others. Ms. Braman commented on some ways that SSACI is cutting their administrative costs: going paperless, saving on copying, e-mailing materials that used to be mailed, moving from the off-campus to on-campus location for meetings, etc.

Ms. Braman presented SSACI's 2011-13 operating budget request.

Mr. Bland asked whether SSACI has a breakdown in graduation rates for various awards recipients.

Ms. Braman responded that these numbers would be available from the institutions that track the graduation rates.

Mr. Bland asked Mr. Smith to consider getting this information, which would help the Commission to make the right decision in allocating the funds.

Mr. Smith appreciated this suggestion and reminded the Commission that in the "*Reaching Higher*" document the Commission makes the assertion and provides data regarding the completion rates of 21st Century Scholars. Mr. Smith added that this information should be made more visible, since it is a measure of a return on a very significant investment. Mr. Smith asked the Commission staff to pursue this suggestion.

Mr. Hansen said that he had learned at the previous meetings that the need for the 21st Century funds had led to withdrawing money out of the Frank O'Bannon grant. He asked whether the numbers presented were accounting for this, or whether they were based on the expected need for the 21st Century Scholars program. Ms. Braman responded that this was the same budget that SSACI had this year, and it does not account for these numbers because SSACI would not know how much money will have to be moved from Frank O'Bannon grant to the 21st Century fund until the end of May 2011 when SSACI receives all the applications.

Mr. Smith asked whether Ms. Braman had any feedback from the legislative leadership regarding some recommendations that were approved by the Commission for Higher Education and SSACI, and that included the need-based measurement by the 21st Century Scholars program at time of entry into higher education. Ms. Braman responded that she has not received a lot of comments, but has received a lot of questions regarding the 21st Century Scholars program.

C. Indiana University

Dr. McRobbie spoke about six principles of excellence: education, faculty, research, international dimension, health sciences and health care, and engagement and economic development. Dr. McRobbie commented on the excellent education Indiana University provides to the population of Indiana either through its nine campuses, located throughout the state, or through Centers for Medical Education, also located in various parts of Indiana.

Dr. McRobbie stated that enrollment this fall has reached 109,445 students, which is a record high for the University, even though this is the third consecutive year for Indiana University when enrollment reached 100,000. Indiana University East had the largest increase in enrollment – 15.1 percent.

Speaking about excellence in academics, Dr. McRobbie mentioned Dr. Elinor Ostrom, who received a Nobel Prize in Economics in 2010. Dr. McRobbie said that IU has 21 members of national academies, 44 members of the American Associations, and five members of the American Philosophical Society. Last year one of the members of IU faculty became a member of the World Scientific Society. Dr. McRobbie said that the university's medical programs produce over 50 percent of the state's physicians, over 40 percent of the nurses, 90 percent of the dentists, and 50 percent of the optometrists.

Dr. McRobbie stated that 63 percent of this year's freshmen class is Indiana residents. Over 41 percent of Indiana residents are at the top ten of their high school class; 149 of these students are high school valedictorians. These numbers reflect the quality of the IU educational experience, which gives students the vital skills, no matter what area they are working for their life-long success.

Dr. McRobbie commented on the research growth. Last academic year IU had a record \$604 million in externally sponsored program awards. Dr. McRobbie mentioned national prominence in life sciences, informational technology, and international studies.

Dr. McRobbie described the engagement activities. IU has established Innovate Indiana initiative, and through this initiative the university is investing in coordinating developmental activities statewide. Dr. McRobbie mentioned the Innovate Indiana Fund, which was started a year ago. Dr. McRobbie spoke about some other investment companies, as well as about the IU Innovation Center at Bloomington and the IU School of Medicine. Dr. McRobbie briefly described other engagement activities on IU's regional campuses.

Speaking on affordability, Dr. McRobbie said that an average tuition at IU Bloomington is just over \$10,000, which is the lowest among the Big Ten universities. Dr. McRobbie mentioned IU's scholarships and grant programs. Dr. McRobbie spoke about state funding cuts and indicated that IU achieved more than \$90M in spending cuts over the last year, and expects to achieve more than \$100M cuts by the end of this year.

Dr. McRobbie commented on the regional campus plan "Blueprint for Student Attainment", which is accessible to a wide range of Indiana students and prepares them for careers in their communities. He added that 80 percent of the students remain in the community after graduation. However, Dr. McRobbie pointed out that the graduation rates must be improved.

Dr. McRobbie presented the University's 2011-13 operating budget request.

Ms. Moran-Townsend made a comment regarding the completion attainment on the regional level. She said that research indicates that the longer students stay in the University, the less likely they are to complete their degrees, so she was concerned with the University's metrics that encourage students to stay at the University for six years.

Dr. McRobbie responded that six years seems to be an accepted standard; however, the students can graduate in four years, if they so choose.

D. Ball State University

Dr. Gora focused her presentation on four themes: differentiation – how Ball State is different; alignment - how Ball State is aligned with the Commission’s priorities; results – how Ball State emphasizes the results and tracks their progress every year, according to their strategic plan, which is aligned with the Commission’s “*Reaching Higher*” document; and efficiencies – how Ball State emphasizes efficiencies.

Dr. Gora spoke about the unique educational curriculum at Ball State University and its focus on the undergraduate experience. She mentioned that 90 percent of their students are from Indiana. Dr. Gora commented on higher academic standards for the students: 63.2 percent of all the freshmen students have an Academic Honors Diploma or equivalent, which is a 35 percent increase over last few years. Dr. Gora also mentioned an over 50 point increase in average freshmen SAT scores over the last few years.

Dr. Gora stated that the University’s Immersive Learning program is a cornerstone of its strategic plan. She described the main points of this program. In the past three years 8,165 students have worked on 512 Immersive Learning projects in 85 of Indiana’s 92 counties. Dr. Gora talked about several projects of Immersive Learning, and pointed out that the graduates of this program leave with a resume, not just a transcript.

Dr. Gora added that BSU offers to all their students the Entrepreneurship Minor across the curriculum. She also pointed out that Ball State University is the only university in the country that pioneered in *Degree in Three* Program, which offers the students to take classes all year round and complete a regular curriculum in 34 different majors in three years.

Dr. Gora stated that Ball State University’s goals are aligned with the Commission’s “*Reaching Higher*” document.

Dr. Gora briefly commented on graduation rates. BSU had an over 63 percent increase in a four-year graduation rate, and over 22 percent increase in a six-year graduation rate. There was also a 6.8 percent increase in freshman retention over the last few years.

Dr. Gora spoke about the increase in total enrollment, which was more than ten percent over the last few years. While increasing academic standards, BSU was able to increase its minority enrollment: African American – 42 percent increase; Hispanic – 183 percent increase. Dr. Gora added that BSU has seen over a 98 percent increase in off-campus enrollment, due to the fact that Ball State offers an on-line degree completion which is flexible and not bound by traditional semesters. Dr. Gora talked about the affordability of the University and the increased number of scholarships it awards.

Dr. Gora brought up three major areas of efficiencies: low staffing ratios and controlled growth in administrative staff; health care cost containment; and energy efficiency. Dr. Gora quoted an article in the “*Chronicle of Higher Education*” in April 2009, which highlighted a report on labor force trends in higher education using BSU’s methodology. Ball State University has the lowest number of average FTE employees per 100 FTE students in Indiana.

Dr. Gora spoke about the measures to deal with reduction in the University's budget. The University did a review of their compensation package, restructured its health care plans, thus increasing the number of the employees who use the Consumer Driven plans. Now the University's average employer's contribution is lower than the state's average. Dr. Gora also commented on energy cost efficiency and measures the University has taken to reduce these costs.

Dr. Gora presented the Ball State University 2011-13 operating budget request.

Mr. Bland asked how Ball State achieved such great results in minority enrollment and retention. Dr. Gora responded that they use aggressive recruiting; going to high schools that prepare students well and that have significant minority enrollment; creating University staff admissions councils, who can talk to parents and help them make a decision on choosing Ball State University for their children's education.

Mr. Fisher asked whether the Immersive Learning experience is required for graduation. Dr. Gora responded that it was not. Ball State's strategic plan says that by 2012 they want to be able to offer every student an opportunity to be involved in one Immersive Learning project.

Mr. Smith congratulated Ball State on its accomplishments without increased state funding and said that this in itself is the highest reward for distinction. Mr. Smith also asked Dr. Gora to consider whether the University really does need more money. Dr. Gora responded that Ball State would like to make the Immersive Learning projects mandatory for graduation, and this requires funding. Also, the faculty members are considerably underpaid compared to their colleagues at other state universities. Answering Mr. Smith's question, Dr. Gora confirmed that Ball State has problems recruiting faculty members, and those who come to work for Ball State eventually leave for better paying jobs, so they have to be replaced by contracted faculty. Dr. Gora concluded that Ball State University uses its money wisely, but they could do much more if they had additional funding.

E. University of Southern Indiana

Dr. Bennett pointed out that this was the second iteration of using the performance-based funding formula. She said that this presentation is built on what USI is really doing that is related to performance. At first, Dr. Bennett gave a brief history of the University. In 1985, when the University of Southern Indiana was established, 33 percent of high school graduates in southwestern Indiana were seeking some form of postsecondary education. In 2009 the number was 84 percent.

Dr. Bennett spoke about fall 2010 student enrollment, which was 10,702. Ninety-six percent of the students have completed either Core 40 or Core 40 Honors Diploma. The students come from 90 Indiana counties, 41 states, and 67 countries. Dr. Bennett mentioned the campus' diversity: 11 percent of students are from the underrepresented groups, and 24 percent of students are age 25 or older. A large number of the University student enrollment comes from transfer students.

Dr. Bennett talked about the 38 percent increase in degree production in the last decade. She pointed out that the University has a strategic plan, which is very closely aligned with the "*Reaching Higher*" document. One of the goals of the University's strategic plan is continued progress in degrees granted.

Dr. Bennett commented on graduation and retention rates and ways to increase them, which include: greater flexibility in degree programs; online education; summer enrollments; dual credit (54 percent increase in last two years); and dual admissions with Vincennes University and Ivy Tech Community College.

Dr. Bennett spoke about efficiency and mentioned the drop from state contribution of 60 percent to 56 percent. Dr. Bennett gave a special recognition to Commissioner Lubbers for collaboration during budget cuts of last December.

Dr. Bennett commented on one of the major goals of the University to remain affordable and provide public education in the region, and stated that the University has remained faithful to this goal. Dr. Bennett presented a tuition chart and added that the University believes that the best scholarship is a low tuition.

Dr. Bennett spoke about accountability as being a part of the University's culture. She stated that the University is committed to its public role to serve its region. For many years the University had had an Assessment Day, when they conduct a number of assessments, including learning outcomes. The University is planning to add another Assessment Day in the spring.

Dr. Bennett mentioned that the University is an early adopter of VSA (Voluntary System of Accountability). Dr. Bennett spoke about the University's commitment to the region through various outreach programs.

Dr. Bennett commented on student involvement in internships, co-ops and applied research projects. The University conducts a survey of graduates annually, and the most recent survey shows that 91.5 percent of 2009 graduates are now working in their chosen fields, and that more than 80 percent of all USI graduates remain in Indiana.

Dr. Bennett spoke about the funding priorities of the University. She said the first priority would be increasing the number of full-time faculty, percentage of which at present is the lowest compared to any public Indiana university. Another priority is enhancing the University's advising system. She said that USI has just received a \$1.2 million grant from the U.S. Department of Education to enhance advising for low-income, first generation, and learning disabled students. About 35 percent of USI undergraduates would qualify to participate in these programs.

Dr. Bennett also said that another funding priority would be to strengthen programs linked to student success, which would include increasing campus employment. Dr. Bennett said that she has eliminated a vice presidency and integrated student affairs into academic affairs to generate more synergies in retention programming.

Dr. Bennett presented the University's 2011-13 operating budget request.

Ms. Moran-Townsend asked whether the study on the students working in their field was a sampling survey. Dr. Bennett confirmed that it was, and that the previous year's graduates were included in it.

Ms. Baker asked how the University encourages faculty to participate in the Assessment Day, and also how the faculty teaches summer courses. Answering the first question, Dr. Bennett said that most assessments are now being done online, so the University is able to

do this with less reliance on the faculty. However, the faculty has embraced the Assessment Day as a part of the culture of the University. The second Assessment Day in the spring will be a day on-campus, with departments and faculty involved. No classes will be held on that day. Teaching in summer is funded as a percentage of a regular base. With the enrollment increase, more than 40 percent of the teachers are overloaded, and have to teach 12 semester/hours each semester.

Mr. Sendelweck asked whether USI has given consideration to formalizing a *Degree in Three* program for its students, considering their demographics and graduation rates.

Dr. Bennett responded that most of the 2009 graduates finished their degrees in four years or less, so the trend is to move in this direction.

F. Ivy Tech Community College

Mr. Snyder began by presenting a chart that compared the percentage of adults between ages 18 and 34, who were enrolled in college in Korea and US in 2007. At that time the US was in seventh place, with only 30 percent enrolled in college. Mr. Snyder mentioned Lumina's Big Goal of having 6,454 graduates per year. He also spoke about the National Governors' Association's goal of having an additional 8.2 million college graduates, and this goal cannot be met with recent high school graduates alone; thus, there is a need to focus on improving educational attainment among adults.

Mr. Snyder mentioned the American Graduation Initiative, the goal of which is to lead the world with the highest proportion of college graduates by 2020, and to have 5 million more community college graduates.

Mr. Snyder gave a brief overview on the student body of Ivy Tech Community College: 60 percent receive financial aid; average age is 27.3; approximately 25 percent are single moms; 13,000 are African-Americans; and nearly 10,000 students receive food stamps.

Mr. Snyder presented a chart that showed their graduation success metrics: 15.4 percent graduate; 3.2 percent graduate and transfer; 15.8 percent transfer; 6 percent are still enrolled. Total graduation success is 40.5 percent. The other 60 percent of those who were enrolled leave Ivy Tech for various reasons, and their further success is unknown.

Mr. Snyder briefly spoke about the College's plans for accelerating greatness: 1) student success; 2) globally competitive Indiana; 3) quality and efficiency in what the College does, and 4) resource base. Then Mr. Snyder commented on the College's new initiatives, which include mandatory orientation; mandatory advising prior to remediation; financial aid propriety processing dates; and decreased textbook variance. Mr. Snyder mentioned a few other new initiatives: Accelerated Associate Degree program; adult degree completion program; manufacturing institute partnership; and a plan to launch the Tennessee Completion Model.

Mr. Snyder presented the Ivy Tech Community College 2011-13 operating budget request. He concluded his presentation by saying that 73 percent of Ivy Tech's students are working adults with an average income of \$25,073, and yet they are enrolled and attend the college.

Mr. Snyder told the Commission about an Ivy Tech minority student, Michael Rice. Michael dropped out of Ivy Tech nine years ago, but returned two years ago. In September Vice President of the United States Joe Biden visited Ivy Tech. Michael greeted him on

campus and told him his story. Michael was then invited by Vice President Biden to visit the White House, where Michael, among eight other students from Community Colleges, met with Secretary of Education Arne Duncan.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Academic Degree Programs on Which Staff Propose Expedited Action

Staff presented a list of degree program proposal(s) for expedited action.

R-10-08.2 RESOLVED: That the Commission for Higher Education hereby approves by consent the following degree program(s), in accordance with the background discussion in this agenda item:

- Master of Arts in Business Education to be offered by Ball State University-Statewide via Distance Education Technology
- Master of Science in Education to be offered by Purdue University-Calumet Statewide via Distance Education Technology
- Bachelor of Social Work to be offered by Indiana University Northwest at Gary
- Bachelor of Science in Business Administration to be offered by Indiana University East at Madison
- Bachelor of Science in Criminal Justice to be offered by Indiana University East at New Castle (Motion – Bepko , second – Moran-Townsend, unanimously approved)

B. Capital Projects

Mr. Smith said that at the working session last evening the members of the Commission decided that the capital projects presentations would be heard and discussed, as they usually are; however, the Commission's action on all but two items (item 5 and item 7) would be deferred pending further review of the presented materials. This discussion and review has been scheduled on November 12th, and will not delay the State Budget Committee's approval process that would follow the Commission's actions. This is an effort on the part of the Commission to be diligent and thorough, and present careful recommendations to the Budget Committee for its consideration. However, Mr. Smith wanted to make sure that the Commission is quite prepared to entertain the presentations today and process the data.

1. Anderson New Construction at the Ivy Tech Anderson Campus

Mr. Jeff Terp, Vice President, Policy Analysis and Engagement, Ivy Tech Community College, presented this project. Mr. Terp gave a brief explanation of how Ivy Tech approaches and prioritizes its capital projects, and how these projects correlate between their strategic plan, their mission, and the Commission's "Reaching Higher" document. Mr. Terp said that the process began in 2006 in cooperation with the State Budget Committee. Paulien Associates helped Ivy Tech to refine the model factors and develop a more comprehensive space model for Ivy Tech that included all types of space categories and factored Indiana's projected budget constraints. Paulien Associates also applied space modeling factors to current enrollments to test proposed modeling guidelines.

Mr. Terp stated that three sets of standards were developed and implemented: project standards, building systems standards, and space standards, and these standards are being used for all new projects.

Mr. Terp briefly mentioned members of the Facilities and Design Council, as well as the purposes of establishing this council. Mr. Terp pointed out that the goal of the college is never to defer their R&R, but always to stay current on it. Half of their R&R is paid out of state funding, and the other half comes out of regional operating funds.

Mr. Terp spoke about Ivy Tech's project priority, stating that the Anderson Expansion and the Muncie Fisher Building are their next priority on the list. Mr. Terp spoke about the Anderson project, pointing out that currently the 2,700 students are using leased space, which expires in 2012. Construction of a new building would be the best and cheapest solution to accommodate the students. Mr. Terp described the project's background, and presented the charts showing the site and floor plans.

Mr. Terp next spoke about the Muncie Fisher Building project. The building was donated to Ivy Tech by the Fisher family two years ago, and Ivy Tech began renovation. The first floor has been completed and is used for classroom space; it was paid for by internally generated cash. Now Ivy Tech would like to use the planning and education money that was previously appropriated to it and finish the restoration of this building.

Mr. Terp presented a chart showing debt service ratio.

Mr. Smith asked Mr. Terp to return to a slide showing the projects for the 2010-13 bienniums and 2011-21 ten-year plans. Mr. Smith asked whether Ivy Tech's priority was the Muncie project or Anderson's new construction.

Mr. Terp responded that the main campus in Muncie is in serious need of expansion and renovation, and the Fisher building will address a portion of these needs. Mr. Smith asked about the enrollment on the Muncie campus, to which Mr. Terp responded that there were 5,000 students. Mr. Smith then asked how many buildings were required to accommodate this number

of students. Mr. Terp responded that there are two buildings on Cowan Road, as well as leased space downtown, and the Fisher building, which needs to be renovated and expanded.

Ms. O’Neill Odum asked about the funding requested for various constructions and renovations in the previous biennium, compared to the funds requested for this biennium. Mr. Terp responded that the funds requested for the two capital projects he presented were 20 percent of the amount requested last biennium.

Mr. Smith once more asked for a clarification on which of the two projects was the stronger priority for Ivy Tech. Mr. Terp responded that they both were equally strong on the Ivy Tech’s priority list.

Ms. Moran-Townsend asked whether these projects were on Ivy Tech’s priority list last biennium. Mr. Terp confirmed that they were.

2. Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus

Please see the previous capital project. Mr. Terp presented this project along with the previous project.

3. Teaching Theatre Replacement Project at the University of Southern Indiana Campus

Mr. Mark Rozewski, Vice President for Finance and Administration, University of Southern Indiana (USI), presented this project. USI proposes construction of a \$16,500,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus. The University requests release of \$13,000,000 in bonding authorization, approved by the 2009 Indiana General Assembly. The balance of the project, \$3,500,000 will be funded through private gifts and University resources.

Mr. Hansen asked Mr. Rozewski to describe the program itself. Mr. Rozewski responded that this program has 170 students involved in about 70 majors; so if this program had a theatre, it could blossom in a larger group of majors.

Ms. O’Neill Odum asked whether this project had been requested previously. Mr. Rozewski responded that this project has been on the University’s capital plan for twenty years.

Ms. Duarte de Suarez asked how this theatre relates to the other facilities at the University. Mr. Rozewski responded that this theatre is in the University’s Master Plan, and would be built as an addition to the University Center.

Mr. Smith asked whether the new theatre should be built in Evansville as a community asset, but staffed and ran by the University for teaching and for performance. Mr. Smith also referred to \$3,500,000 received by the

University from private funds for this construction project, and he suggested that this money should stay in the community. Mr. Rozewski responded that Evansville already has two community theatres, as well as a theatre on the campus of the University of Evansville. Mr. Smith asked whether it was not possible to lease this theatre for USI's teaching purposes. Mr. Rozewski responded that it would not be appropriate, and also this building would be even further from campus. Mr. Rozewski pointed out that USI would prefer to bring the community to the campus, rather than bringing the campus to the community.

Mr. Moran-Townsend asked about the cost of the square footage of this project. Mr. Rozewski responded that the cost is around \$400 per square foot, which is not unusual for theatres of this kind.

Mr. Smith asked whether there were other performing arts in the University's College of Liberal Arts. Mr. Rozewski responded that this was the only performing art program in the University's curriculum.

4. Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus

Ms. Gretchen Gutman, Associate Vice President, Governmental Relations, Ball State University (BSU), presented this project. This project is a part of BSU's Strategic Plan to improve their core facilities. These buildings are being heavily used by about two-thirds of all students on the campus (approximately 11,000 to 14,000 students per week).

Ms. O'Neil Odum asked whether the funds for this project have been requested previously. Ms. Gutman responded that this is the first request of these funds.

5. Lease of Space – 2039 North Capitol Avenue for Indiana University-Purdue University Indianapolis

Mr. Tom Morrison, Vice President of Capital Projects and Facilities, Indiana University (IU) presented this project. IU is asking to lease on behalf of and for the use of the Indiana University School of Health and Rehabilitation Sciences for the newly created Master of Physician Assistant program at IUPUI. The premises consists of 8,810 square feet which, when renovated, will house office, exam and classroom spaces. Annual rent is \$114,530 with a cost of renovations not to exceed \$245,000. Rent and cost of renovation payments will be made for the School of Health and Rehabilitation Sciences Accounts. If the program begins to expand outside of the current leased space, IU will look to leasing additional space in the same area or potentially move to the IUPUI campus if the space becomes available.

Ms. Lubbers reminded the Commission that this is a non-fee replacement project, and that is why the Commission was acting on it today.

Mr. Smith asked who the landlord of the space was. Mr. Morrison responded that it was Clarian Hospital.

Ms. O'Neill Odum asked whether IU anticipated in ten years opening a new building for this program. Mr. Morrison said that this will not be the University's intention. There would be two options: either the University will renew the lease, or the program will move back to the IU Hospital complex.

Mr. Jason Dudich, Associate Commissioner and Chief Financial Officer, Commission for Higher Education, gave the staff recommendation. He pointed out that the new program will be housed in this space, and IU has promised to monitor this program. If this program does not meet the expected enrollment level, the University will reevaluate it and either reduce space or take other actions.

Ms. O'Neill Odum commented on the fact that when this new program was first introduced to the attention of the Commission, it was offered as an academic degree with zero cost associated with it. Ms. O'Neill Odum pointed out that this was not accurate, because the Commission was not just funding this lease for five or ten years, but might be dealing with potentially a very expensive project.

Mr. Smith confirmed that when presenting a new degree program, IU requested no new state funds for it. Mr. Smith asked Mr. Morrison to speak to this point. Mr. Morrison responded that this was a long standing practice of the Commission to say that no new state funds were requested for a new degree program. All academic degree programs in the IU system pay for their space.

Mr. Smith wanted to clarify the point of no new state funds being used in such cases, because there were in fact some incremental state funds being dispersed.

Dr. Bepko said that the expression "No new state funds are requested" is true, because the state will pay no appropriation. If the money is coming from the state for other things, like enrollment, that is a different case.

Ms. O'Neill Odum was concerned that in the long run the state would have to pay for a new building, thus state funds would be used eventually for the program.

Dr. Bepko responded that what is being paid for rent now could be capitalized at some point. When the new program is proposed, no new state funds are requested for it, and the University is ready to use its own money for developing this program. Years later, if the program is successful, the University may come back to the Commission and ask for the facility, but it may or may not be paid with state funds even then. A lot of buildings are constructed with other funds, and not with state money. Dr. Bepko said that at this point he would not want the University to speculate on what would happen ten years from now.

Mr. Smith concluded that he would want complete transparency on the issue of using new state funds on the new degree programs.

R-10-08.3 RESOLVED: That the Commission recommends approval to the State Budget Agency and the State Budget Committee of the project *Lease of Space – 2039 North Capitol Avenue for Indiana University-Purdue University Indianapolis*, as presented in the project description and staff analysis October 8, 2010 (Motion – Bepko, second – Fisher, unanimously approved)

6. Neurosciences Research Building at the Indiana University-Purdue University Indianapolis Campus

Mr. Tom Morrison presented this project. He explained that this building will provide laboratory-research space for new scientists and expansion space for existing psychiatric and neuroscience research at IU. The whole project consists of two buildings, and this particular building will be the first one to be jointly developed by IU and Clarian Hospital. IU will construct one building, and Clarian will build another. The estimated cost of the project is \$53 million, with \$43 million from state funding authorized by the 2007 and 2009 General Assembly, \$5 million from the IU School of Medicine gifts, and \$5 million from Auxiliary Reserves.

Ms. Moran-Townsend asked whether the original Neurosciences building was a state-funded building. Mr. Morrison confirmed that it was. He explained that this used to be a campus building, but, as part of a land-swap deal IU swapped the entire site on the western edge of the IUPUI campus, which included several buildings of the land and the old Neurosciences building. In exchange in 2014 the University will receive the old Wishard Hospital property, on which site the new building would be constructed.

Ms. Moran-Townsend asked whether the Commission was involved in the land-swapping deal. Mr. Morrison responded that the Commission was not, but the Governor was.

Ms. O'Neill-Odum asked whether the funding for the proposed project was larger or smaller compared to the last biennium's request. Mr. Morrison responded that this project is on a larger side, because it is a research facility, so the request is for \$43 million.

Mr. Smith wanted to clarify what the amount of funding was for a project or multiple IU projects the last time the University presented its capital project request. Mr. Morrison responded that the request was for \$150 million. In response to a question from Ms. O'Neill-Odum, Mr. Morrison explained that \$43 million being requested now is the part of these \$150 million.

Mr. Smith asked whether this would not be to the University's advantage if Clarian Hospital financed the new building and leased it to the University. Mr. Smith said that times are changing, and nobody can predict whether the Universities and hospitals systems would be allowed to operate the way

they do now. Mr. Morrison answered that this was an option that IU has been in the process of examining.

Dr. Bepko asked whether the new building would be only for IU employees. Mr. Morrison confirmed that it would. Dr. Bepko asked whether it would not be better if the building would be owned by the University, so in case of any changes in the collaboration between the University and the hospital, the University would not lose the building. Mr. Morrison responded that the question of ownership applies not only to the building but to the land, as well.

Ms. Duarte de Suarez requested to clarify the process of approving the capital project. Mr. Morrison explained the process.

7. Drug Discovery Facility at the Purdue University West Lafayette Campus

Mr. Kevin Green, Director of State Relations, Purdue University, presented this project. He said that the new facility will be a part of the Life and Health Sciences Quad. This project was not on Purdue's capital request two years ago. The cost of the facility is estimated at \$25 million and will be funded with \$20 million in bond authority, and \$5 million from gifts or indirect cost recovery revenues.

Mr. Jason Dudich gave the staff recommendation.

R-10-08.4 **RESOLVED:** That the Commission recommends approval to the State Budget Agency and the State Budget Committee of the project *Drug Discovery Facility at the Purdue University West Lafayette Campus*, as presented in the project description and staff analysis October 8, 2010 (Motion – Hansen, second – Moran-Townsend, unanimously approved)

8. Health and Human Services Research Facility at the Purdue University West Lafayette Campus

Mr. Green presented this project. He said that a small part of this project was included in Purdue's capital request last biennium. It was an \$80 million request, \$60 million in state funding, and \$20 from private funding. That project was dealing with Life Sciences. Mr. Green said that for the project Purdue received from the General Assembly \$12 million worth of bonding authority (\$6 million coming from the state, and \$6 million coming from the University's own resources), and \$10 million worth of renovation money for a total from the state of \$22 million.

Mr. Green stated that this project would combine various departments into one facility, which is estimated to cost \$54 million. The project cost is broken down into the following funding sources: \$16 million in gifts/donations, \$16 million in parking revenue bonds, \$16 million in fee replacement bonds, and \$6 million in indirect cost recovery funds. In total,

the state will cover approximately 30 percent of the cost of this new structure, and 70 percent will come from other funding sources.

9. Capital Projects on Which Staff Propose Expedited Action

Staff presented a list of capital projects for expedited action.

R-10-08.5 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:

- Math Sciences Research Data Center Renovation at Purdue University: \$2,949,000
- Agricultural and Biological Engineering and Central Machine Shop Facility at Purdue University: \$4,300,000
- Riley Hospital – Wells Research Center for a Pediatric Phenotyping Core Renovation: \$8,500,000
- Qualified Energy Savings Project – Increase in Scope: \$8,000,000
- General R&R – FY10: \$989,032 (Motion – Fisher, second – Sendelweck, unanimously approved)

Mr. Smith asked Mr. Dudich to explain how Riley Hospital’s project appeared on this list. Mr. Dudich explained that the reason the Commission staff chose to expedite this project is that it is funded entirely out of federal funds, and no state funds are involved. The cost is rather high, but this is a research laboratory space, and it is usually expensive to renovate such a facility.

Ms. O’Neill Odum referred to the energy savings project and asked whether the first portion of this project was also on a list of items for an expedited approval.

Mr. Dudich responded that originally it was a full Agenda item, and the cost was \$3,000,000.

Mr. Smith asked why on the energy savings project there was no reference to a third party sharing the risk of a promise of a recovery.

Mr. Morrison responded that no third party is involved in this project. He also explained the increase in the scope of the project, from \$3,000,000 originally to \$8,000,000 at present. He said the money is bonding authority; the University can borrow funds to take action on these energy savings projects, and the proceeds from

the energy savings will pay back the bonds. Initially, the statute was \$10,000,000 per university. For Indiana University it meant this amount for all the IU campuses. Now the statute has changed to \$15,000,000 per campus. This particular project at the South Bend campus is IU's priority.

Dr. Bepko asked whether this project would become a general obligation of the State of Indiana, when the Commission, by voting on this project, allows IU to sell \$8,000,000 worth of bonds. Mr. Morrison responded that the bonds are backed up by the state, but IU has the primary responsibility to pay this amount. He added that this is a different way to do R&R that will not cost the state or the institution any money.

C. Policy on Approving New Degree Programs for Ivy Tech Community College

Commission members have deferred action on this item until December Commission meeting.

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 September Commission Working Sessions

There was no discussion of these items.

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

There was none.

XI. ADJOURNMENT

The meeting was adjourned at 12:50 p.m.

Mike Smith, Chair

Jud Fisher, Secretary

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-1: Anderson New Construction at the Ivy Tech Anderson Campus

Staff Recommendation That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Anderson New Construction at the Ivy Tech Anderson Campus*, as described in the project description and staff analysis October 8, 2010.

Background By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

The Trustees of Ivy Tech Community College of Indiana request authority to proceed with a new construction project in Anderson. This project will be financed through the issuance of one or more series of bonds equal to the sum of \$20,000,000 authorized by the 2009 General Assembly.

Supporting Document Anderson New Construction at the Ivy Tech Anderson Campus, October 8, 2010.

ANDERSON NEW CONSTRUCTION AT THE IVY TECH ANDERSON CAMPUS

Project Description and Staff Analysis

SUMMARY

The 2007 General Assembly authorized the College to plan for new construction in Muncie and Anderson and the 2009 General Assembly authorized the College to construct a new building for Ivy Tech Community College in Anderson by issuing bonds not to exceed \$20,000,000. The College proposes using all of the 2009 bonding authority for a new building in Anderson on land provided by the community.

The proposed new Anderson building would be approximately 76,360 gross square feet (GSF) or 49,400 assignable square feet (ASF). The new construction will occur on land provided by the City of Anderson along Interstate 69. The City of Anderson purchased approximately 38 acres of land in the 400 - 800 blocks of East 60th Street (between Columbus Avenue and Main Street) on the south side of 60th street in Anderson. The property is bounded on its south side by Interstate 69 right of way. The City of Anderson, through its Redevelopment Commission has donated the land to the College. The donated land has an appraised value of approximately \$855,000.

DESCRIPTION OF THE PROJECT

The Anderson Campus of Ivy Tech's East Central Region currently resides on approximately 30 acres of land at the corner of Main and 53rd Streets. The 43,520 GSF facilities were opened in 1990 and were built to accommodate 1,200 students, student support services, faculty offices, a bookstore, business office operation, a library and a student lounge. Current enrollment is well over 2,600 students and another 105,000 GSF is being leased on a short term, temporary basis to accommodate enrollment growth. All leased space will be terminated at the completion of construction. This project will allow for the expansion of programs and services in line with the College's mission, community workforce training and economic development. Expansion of the College's programs and space to accommodate the expansion is an integral part of the Anderson community's efforts to redefine its economic base.

The new building will house programs from four of the College's academic schools (Business, Technology, Public and Social Services, and Liberal Arts and Sciences) with the addition of classroom lab space. Support spaces will include faculty offices, student lounge, and a library. The construction of the new building will permit the existing facility on 53rd Street to be dedicated to the School of Health Sciences and allow for expansion of their programs.

The new building is expected to be free standing, steel framed, two-story facility with brick exterior and a combination of block and steel stud and drywall interior construction. Sufficient parking will be constructed to accommodate the anticipated enrollments. The environmental system will include self-supporting, zoned WAC units.

Planning indicates that the assignable area needed for the new building will include the following:

- Multi-use classrooms that will provide state-of-the-art technology and be flexible for use by multiple academic programs.
- Multi-use computer labs that can serve as classroom space for such programs as Computer Information Services as well as the Business School, and also provide "open" computer areas to assist students in their coursework.
- Student Services area that will provide easy access to admissions, financial aid, registration, advising, student development, bursar, testing, and bookstore. These areas will be located along the main spine of the building making access convenient and efficient.
- Office space for administration and Workforce and Economic Development.
- Faculty offices will be provided to accommodate the growing number of faculty and adjunct professors as enrollments continue to increase. Unassigned adjunct workspace will allow for use by more teaching staff.
- A library and group study areas and access to computer resources.
- Student commons area to provide access to vending, food service vendor(s), and group/individual study areas.

Schmidt Associates has been identified to provide consulting services for this project.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

As a statewide, open-access, community college, Ivy Tech Community College of Indiana provides residents of Indiana with professional, technical, transfer, and lifelong education for successful careers, personal development, and citizenship. Through its affordable, quality educational programs and services, the College strengthens Indiana's economy and enhances its cultural development. Ivy Tech Community College strives to accomplish its mission placing strategic emphasis on professional and technical education, general education, transfer education, developmental education, student development and services, continuing education, workforce education and training, community service, diversity and continuous improvement of all instruction and services.

The project supports the mission of the College and it is aligned with the Strategic Plan to bring new and expanded educational programs to the East Central region and marketplace driven workforce education and economic development to Muncie, Anderson, and Marion, and surrounding communities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

According to a study completed in February 2006 by Energize ECI, the Partnership for East Central Indiana, the East Central Region encompasses eight contiguous counties and occupies approximately 3,842 square miles, was home to 550,000 people with almost 221,000 workers on covered payrolls in more than 11,000 business establishments. Today, there are fewer people in every one of those eight counties. Of the 25 Indiana counties that have consistently lost population since 2000, all seven counties served by Ivy Tech's East Central Region are included. During the past 15 years, when nearly 25 million jobs were added nationally, East Central Indiana moved the other direction. The number of workers on payrolls region-wide is lower today than in 1990. The 196,700 workers on covered payrolls in the first quarter of 2005 are 14,700 less than the same quarter in 1990. Over the same period, the rest of Indiana enjoyed an increase of nearly 400,000 jobs.

Much of the loss in residents and jobs is attributed to the closures and downsizing of major manufacturing facilities - Thomson in Marion, General Motors' Remy International, Guide Lamp in Anderson, and Borg-Warner Automotive in Muncie to name a few. But there is an opportunity for Ivy Tech to be a part of and have a major impact on the revitalization of East Central Indiana.

According to a report prepared by the Eastern Indiana Economic Growth Region 6 Strategic Skills Initiative, the region's dominant industries, in addition to manufacturing, are Education, Health Services and Public Administration. As a result, the Initiative identified six occupations as critical to the area's growth: health diagnosing and treating occupations; health technologists and technicians; life scientists; business operations specialists; metal and plastic workers, and truck drivers - heavy tractor trailers. Those working on the Initiative also uncovered several cross-cutting skills shortages, which include communications, reading comprehension, computer literacy, mathematics and science, problem solving, leadership and ethics. With much of programming already in place, Ivy Tech East Central can meet these challenges with additional space and upgraded facilities.

In the past 10 years (1999 to 2009), Ivy Tech East Central Region has experienced continual growth. At Muncie, the enrollment has increased 138.4 percent in the past ten years. In 1996, the Region offered 240 courses on its three campuses. By 2005, course offerings totaled 318. The number of faculty has grown from 39 full-time and 186 adjuncts in 1969 to 88 full-time and 375 adjuncts in 2008. This growth in faculty has been critical for the growth and to meet the student and workforce demands.

Enrollment is at a level that the College leased modular classrooms and space in other buildings in Muncie on a temporary basis. Without this leased space the College would have been faced with turning away students in need of education and training when they need it the most; to pursue additional education at a reasonable cost or to get training that would expand their employment opportunities.

New and improved services to the community, within the mission of the College and Strategic Plan, will be attained by an increase in accessible, quality space for general classrooms, labs, student lounge/study areas, offices and flexible space for future programming.

The College seeks to combine programs in related disciplines all at two locations and further seeks to add space to accommodate new program and enrollment growth as was done for the recently approved Dental Hygiene program at the main campus using College funds.

ALTERNATIVES CONSIDERED

Three options were considered to bridge the gap between the current overcrowding and this request for a capital construction project.

1. Construct temporary modular units at the main 53rd Street location. This option offers the benefit of combining all activities at one site in Anderson. However, this option carried high lease costs (\$585,000 annual lease plus operating costs), adds high costs for temporary utility extension, and provides the lease net gain of additional classrooms.
2. Purchase and renovation of the Meadowbrook elementary school on 39th Street in Anderson. This option had a high initial cost (purchase and renovation over \$1.0 million) for a small amount of space (30,000 square feet) on a small amount of land in a residential neighborhood.
3. Secure additional leased space elsewhere in Anderson: several vacant properties are immediately available throughout the community to accommodate enrollment growth. Currently the College is leasing the Ebbert Education Center under a three year lease.

Minimal work was done to make this a viable short-term option. For long-term use significant remodeling expenditures would be needed and since it is leased space, at some time in the future, its use would be terminated. Additional options have been considered, but each would require significant remodeling expenditures and lack of very long term use. No leased options offer the permanent space needed by the College at one of its main campuses.

None of the options provide sufficient, permanent space needed to accommodate current and future enrollments.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

Regional administration anticipates vacating the Anderson Ebbertt building upon completion of the proposed project. The proposed project will address the immediate critical need. Long-term planning will involve additional facilities and significant renovation to the existing main campus facilities.

HISTORICAL SIGNIFICANCE

There are no buildings of historical significance involved in this project and the site is not a historical site.

STAFF ANALYSIS

The Anderson new construction project was one of the few capital projects recommended in the Commissions' 2009-2011 Biennial Budget Recommendation. The project, funded entirely through state support, will cost approximately \$20 million and would add \$1.7 million per year to Ivy Tech's fee replacement support from the state starting in 2012. For 2010-11, Ivy Tech's debt ratio is approximately 15% while the overall public institution's debt ratio is approximately 13.6%. The Commission projects Ivy Tech's debt ratio to be approximately 15.4% by 2013. No outside funding, gifts or donations will be used to support the cost of constructing this building.

Currently, the Anderson Campus is split between two buildings. The first is owned by Ivy Tech and houses Dental Hygiene programs and some administrative offices (43K GSF). The second is a leased building from the Anderson School System (105K GSF) which houses general education programs and services. The leased facility is in poor condition, lacks ADA requirements and due to the setup of the facility is inefficient for classroom space. Upon completion of the new Anderson Campus Building, Ivy Tech would vacate the current leased space, using savings from lease costs to cover the operational costs of the new building (76K GSF).

Ivy Tech notes they have looked at other space to lease/occupy rather than building the new facility and cannot identify any space in Anderson that would meet their requirements for providing academic services and programs. Anderson's FTE enrollment has increased from 2009 to 2010 by approximately 19%; however, the average 5 and 10 year percentage growth in FTE has been 4.7% and 10% respectively. Ivy Tech notes that a new building will result in an increase in enrollment as they have experienced on other campuses. Staff will note that growth for Ivy Tech has increased when new buildings are completed; however, long term growth in enrollment is not at the same level historically.

Staff recommends that additional analysis should be conducted by Ivy Tech and the Commission regarding a long term strategy pertaining to new permanent buildings for Ivy Tech versus leases that would allow for flexibility in enrollment changes, demands by the community and overall economic conditions in the state. In some cases, permanent buildings in various locations could be warranted while other locations might require continuation of leased space before moving forward with permanent structures.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-2: Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

The Trustees of Ivy Tech Community College of Indiana request authority to proceed with the renovation/build out of two floors of the previously donated Fisher Building in Muncie. This project will be financed through the issuance of one or more series of bonds equal to the sum of \$4,800,000 authorized by the 2007 General Assembly.

Supporting Document

Muncie/Anderson Planning Revised at the Ivy Tech Muncie Campus, October 8, 2010.

MUNCIE/ANDERSON PLANNING REVISED AT THE IVY TECH MUNCIE CAMPUS

Project Description and Staff Analysis

SUMMARY

The College's Foundation received a gift of the four-floor plus basement, 135,400 square foot Fisher Building in downtown Muncie in 2009. The College's Foundation has proceeded with building out one floor of this facility and leasing it to the College. This building is the anchor of a major initiative for the College in downtown Muncie. The building is sound and can be built-out to accommodate instruction use. The College is requesting that the \$4.8 million of bonding authority from the 2007 General Assembly be used to build out two more floors of the Fisher Building.

DESCRIPTION OF THE PROJECT

The 2007 General Assembly authorized the College to plan for new construction in Muncie and Anderson and the 2009 General Assembly authorized the College to construct a new building for Ivy Tech Community College in Anderson by issuing bonds not to exceed \$4,800,000 and \$20,000,000 respectively. In a separate request the College proposes using all of the 2009 bonding authority for a new building in Anderson on land provided by the community. This request is to use the \$4.8 million bonding authority to renovate build-out two floors of the Fisher Building in Muncie. The Fisher Building was donated to the College's Foundation by the Fisher family in July 2009.

The College plans to use the \$4.8 million bonding authority authorized by the 2007 General Assembly to renovate two floors of the Fisher Building in downtown Muncie. Renovation will build out approximately 48,675 gross square feet/31,050 assignable square feet to provide classrooms, teaching labs, faculty offices, meeting rooms, student gathering spaces, and support spaces.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

As a statewide, open-access, community college, Ivy Tech Community College of Indiana provides residents of Indiana with professional, technical, transfer, and lifelong education for successful careers, personal development, and citizenship. Through its affordable, quality educational programs and services, the College strengthens Indiana's economy and enhances its cultural development. Ivy Tech Community College strives to accomplish its mission placing strategic emphasis on professional and technical education, general education, transfer education, developmental education, student development and services, continuing education, workforce education and training, community service, diversity and continuous improvement of all instruction and services.

The project supports the mission of the College and it is aligned with the Strategic Plan to bring new and expanded educational programs to the East Central region and marketplace driven workforce education and economic development to Muncie, Anderson, and Marion, and surrounding communities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

According to a study completed in February 2006 by Energize ECI, the Partnership for East Central Indiana, the East Central Region encompasses eight contiguous counties and occupies approximately 3,842 square miles, was home to 550,000 people with almost 221,000 workers on covered payrolls in more than 11,000 business establishments. Today, there are fewer people in every one of those eight counties. Of the 25 Indiana counties that have consistently lost population since 2000, all seven counties served by Ivy Tech's East Central Region are included. During the past 15 years, when nearly 25 million jobs were added nationally, East Central Indiana moved the other direction. The number of workers on payrolls region-wide is lower today than in 1990. The 196,700 workers on covered payrolls in the first quarter of 2005 are 14,700 less than the same quarter in 1990. Over the same period, the rest of Indiana enjoyed an increase of nearly 400,000 jobs.

Much of the loss in residents and jobs is attributed to the closures and downsizing of major manufacturing facilities - Thomson in Marion, General Motors' Remy International, Guide Lamp in Anderson, and Borg-Warner Automotive in Muncie to name a few. But there is an opportunity for Ivy Tech to be a part of and have a major impact on the revitalization of East Central Indiana.

According to a report prepared by the Eastern Indiana Economic Growth Region 6 Strategic Skills Initiative, the region's dominant industries, in addition to manufacturing, are Education, Health Services and Public Administration. As a result, the Initiative identified six occupations as critical to the area's growth: health diagnosing and treating occupations; health technologists and technicians; life scientists; business operations specialists; metal and plastic workers, and truck drivers - heavy tractor trailers. Those working on the Initiative also uncovered several cross-cutting skills shortages, which include communications, reading comprehension, computer literacy, mathematics and science, problem solving, leadership and ethics. With much of programming already in place, Ivy Tech East Central can meet these challenges with additional space and upgraded facilities.

In the past 10 years (1999 to 2009), Ivy Tech East Central Region has experienced continual growth. At Muncie, the enrollment has increased 138.4 percent in the past ten years. In 1996, the Region offered 240 courses on its three campuses. By 2005, course offerings totaled 318. The number of faculty has grown from 39 full-time and 186 adjuncts in 1969 to 88 full-time and 375 adjuncts in 2008. This growth in faculty has been critical for the growth and to meet the student and workforce demands.

Enrollment is at a level that the College leased modular classrooms and space in other building in Muncie on a temporary basis. Without this leased space the College would have been faced with turning away students in need of education and training when they need it the most; to pursue additional education at a reasonable cost or to get training that would expand their employment opportunities.

New and improved services to the community, within the mission of the College and Strategic Plan, will be attained by an increase in accessible, quality space for general classrooms, labs, student lounge/study areas, offices and flexible space for future programming.

ALTERNATIVES CONSIDERED

Three options were considered to bridge the gap between the current overcrowding and this request for a capital construction project.

1. Construct temporary modular units at the Muncie main campus location on South Cowan Road in addition to the modular units currently leased. However, this option carried high lease costs, adds high costs for temporary utility extensions, and provides the least net gain of additional classrooms.
2. Secure additional leased space elsewhere in Muncie: several vacant properties are immediately available throughout the community to accommodate enrollment growth. For long-term use, significant remodeling expenditures would be needed and since it is leased space, at some time in the future; its use would be terminated. Additional options have been considered, but each would require significant remodeling expenditures and lack of very long term use. No leased options offer the permanent space needed by the College in Muncie.

None of the options provide sufficient, permanent space needed to accommodate current and future enrollments and when the Fisher Building was offered as a permanent downtown campus site all other options were significantly less attractive for a long term solution to part of Ivy Tech Muncie's space needs.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

The proposed project will address the immediate critical need and provide long term space in downtown Muncie. Long-term planning will involve additional facilities and significant renovation to the existing main campus facilities on South Cowan Road.

HISTORICAL SIGNIFICANCE

There are no buildings of historical significance involved in this project and the site is not a historical site.

STAFF ANALYSIS

Ivy Tech is requesting funding provided by the 2007 General Assembly to renovate two floors in a donated building in the Muncie area at a cost of approximately \$4.8 million. Funding for the project will be supported entirely by the state and the estimated fee replacement for this project is approximately \$418,000 annually starting in 2012. For 2010-11, Ivy Tech's debt ratio is approximately 15% while the overall public institution's debt ratio is approximately 13.6%. The Commission projects Ivy Tech's debt ratio to be approximately 15.4% by 2013. No outside funding, gifts or donations will be used to support the cost of renovation of this building.

The Muncie campus has seen stable growth over the last 10 years. FTE enrollment has grown on average by 8.0% over the last 10 years and 8.5% over the last 5 years. From 2009 to 2010, FTE enrollment has increased by 23.7% and is projected to grow at 8% in the future based on Ivy Tech's enrollment assumptions. Staff believes that this stable growth will continue in the Muncie area and the renovation of this donated building will allow for classrooms and labs to address such growth.

With this renovation no current space will be removed or closed; therefore this new renovation will add 48,000 GSF of new space to the Muncie campus, addressing the continued growth of FTE enrollment at the Muncie site. It is noted that Ivy Tech has requested in its 2011-13 Biennial Capital Request \$35 million for new capital projects in Muncie that include new construction and renovations of currently owned buildings by Ivy Tech. The total impact would add approximately 70,000 GSF to the Muncie campus.

Staff will note that in Region 6 (Muncie, Marion, and Anderson) a large amount of capital will potentially be spent in this area. In 2005 Ivy Tech requested, and was approved to construct, a \$20 million facility in Marion which was completed in 2008. Through current capital requests, Ivy Tech will incur nearly \$25 million in capital projects in Muncie and Anderson and has requested in their long term capital plan an additional \$85 million through 2021 for Region 6. A total projected investment since 2005 of \$130 million mostly provided through state funds.

Staff recommends that additional analysis should be conducted by Ivy Tech and the Commission regarding a long term strategy pertaining to new permanent buildings for Ivy Tech versus leases that would allow for flexibility in enrollment changes, demands by the community and overall economic conditions in the state. In some cases, permanent buildings in various locations could be warranted while other locations might require continuation of leased space before moving forward with permanent structures.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-3: Teaching Theatre- Replacement Project at the University of Southern Indiana Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Teaching Theatre- Replacement Project at the University of Southern Indiana Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

The Trustees of the University of Southern Indiana request the approval for the release of funds for the construction and financing of the University's Teaching Theatre- Replacement Project authorized by the 2009 Indiana General Assembly. The total budget for this project is \$16,500,000. In discussions with members of the State Budget Committee in fall 2009, the University agreed to raise the remaining amount in private gifts and University funds for the project and not request the total amount of bonding authorized by the General Assembly. The \$13,000,000 in bonding authorization is what is requested to proceed with the financing plan for the project, design, and construction of the new facility.

Supporting Document

Teaching Theatre- Replacement Project at the University of Southern Indiana Campus, October 8, 2010.

TEACHING THEATRE – REPLACEMENT PROJECT AT THE UNIVERSITY OF SOUTHERN INDIANA CAMPUS

Project Description and Staff Analysis

SUMMARY

The University of Southern Indiana proposes construction of a \$16,500,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus. The University requests release of \$13,000,000 in bonding authorization approved by the 2009 Indiana General Assembly for construction of the project. The balance of the project will be funded through private gifts and University funds. The proposed theatre will seat approximately 350 people and will be constructed adjacent to the University Center. It will better serve the educational needs of the Department of Performing Arts and will provide a more appropriate venue for on-campus theatrical and musical productions and other special events.

DESCRIPTION OF THE PROJECT

The University of Southern Indiana proposes construction of a \$16,500,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus at 3001 Igleheart Avenue. The University received \$15,000,000 in bonding authorization from the 2009 Indiana General Assembly for construction of the project, but only requests \$13,000,000 in bonding authorization. The \$3,500,000 balance of the project will be funded through \$2,000,000 in private gifts and donations and \$1,500,000 from University funds.

In the mid-1970s, the University purchased a 152-seat theatre built in the 1950s from the Catholic Theatre League to be used as the University Theatre. A church parking lot across the street from the theatre is used for parking. In the early 1990s, the USI Foundation purchased the church and currently leases the facility to the University. The church was renovated at the time of purchase and is used today as a costume shop, scene design area, and practice facility for the Theatre Department. The University's theatre program has outgrown the current facility and its distance from campus limits the opportunity for students to easily participate in activities related to the theatre. The proposed Teaching Theatre will bring the two off-campus locations on campus to better serve students and the University community.

The new 21,929 assignable square foot (ASF) Teaching Theatre will be constructed adjacent to the expanded University Center and be connected by an atrium. The University Center Expansion project will provide new space for student programs, University outreach programs, expanded dining and meeting facilities, and will be a central gathering spot on campus. The new theatre will be ideally situated at the confluence of University activities and will be a location offering cultural enrichment in the form of educational programming and entertainment to the University community. The theatre will seat approximately 350 people and will be designed with a thrust stage. It will be ideally sized to serve the needs of the theatre program and to provide a venue for such additional events as special speakers, small performance groups, and musical recitals and performances. In serving the educational needs of the Department of Performing Arts, the Teaching Theatre will create opportunities for the instruction of all aspects of design and production beginning at the point of load-in and continuing on through strike of production elements (in effect, all post-shop aspects of production). As a teaching theatre it will provide a practice lab/classroom to teach key design and production elements, enhancing the education of USI theatre students.

The theatre facility will include support areas to facilitate the loading in and out of sets and properties, offstage storage space, "green room" space, dressing rooms, wardrobe, and laundry facilities. Storage adequate for running productions as well as maintaining a reasonable inventory of light and sound equipment with an area dedicated to equipment maintenance are included in the project. The stage will be designed to move equipment on and off stage with reasonable ease. The theatre will be designed with a loading facility to receive deliveries by large trucks.

The proposed staging will include general dimensions and a traditional proportion of a thrust or modified thrust theatre and multiple entrances typical of the thrust will be part of the design. Adequate space for stage management, sound and lighting booths, and all lighting positions will be included in the design. The Teaching Theatre will feature adequate peripheral service areas to enhance production and, most important, to insure the appropriate education and training of students. Full box office facilities and controlled access of entrances and exits will enable the facility to operate and to serve as a multipurpose venue.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The University of Southern Indiana is a broad-based institution offering instruction, research, and service. A liberal arts and science curriculum provides the foundation of knowledge for all programs and complements undergraduate programs leading to careers in business, engineering, government, health professions, education, and related fields. Selected master's degrees serve persons in professional and technical fields. As a public institution, the University of Southern Indiana counsels and assists business and industry, as well as social, education, governmental, and health agencies to higher levels of efficiency and improved services. Approximately 10,500 students are enrolled in degree programs; in addition, another 15,000 students enroll annually in noncredit, continuing education, workforce training, and professional development programs at the University.

The proposed Teaching Theatre will replace the 50-year old off-campus theatre located approximately four miles from campus and will better serve the growing needs of the University and its students as a multipurpose performance venue.

The construction of dedicated performance space on campus supports the University's commitment to arts education and to the cultural needs of the community. The University's Theatre Arts Program has grown significantly in the past 20 years and is now part of the Department of Performing Arts. The Department and its attendant programs have outgrown the theatre on Igleheart Avenue and planned growth of the theatre program is limited because of the current facilities and distance from campus.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The University of Southern Indiana has experienced tremendous growth during its 45- year history. In the mid-1970s, when the off-campus theatre was purchased, the University served a student population of about 2,500 students. Today, over 10,500 students are enrolled in degree programs with an additional 15,000 students enrolled annually in noncredit, continuing education, workforce training, and professional development programs.

Need for New Facility

The off-campus theatre no longer can support the needs of the USI Theatre Program. The University has maximized the capacity of the current theatre and it will not be able to continue in its current capacity as the main stage of the USI Theatre. There are three primary reasons for construction of a replacement Teaching Theatre on the University campus.

1. Current facilities are inadequate -size and structure
2. Off-campus location
3. Widening of Highway 62, the Lloyd Expressway

Current Facilities

As a teaching facility, the current USI Theatre was never an optimum solution for the needs of the University. The theatre was designed very simply and inexpensively in 1955 by the Catholic Theatre League and has never been an effective teaching site. It is an inconvenient place to stage and teach theatre and lacks adequate space for productions. There are maintenance issues with the building including flooding and electrical problems resulting in safety concerns. Repairs to the facility are expensive for what it provides and due to its location; it is not easily maintained by Physical Plant personnel. The costume shop and scene shop are in buildings ill suited for their use. The buildings were not properly designed to serve the needs of the theatre department or the University community.

The needs of a modern performing arts program have rendered the theatre obsolete because of accessibility problems and because it was not built to the standards a good theatre education facility requires. The theatre served a temporary purpose when the University acquired it in the mid-1970s as a stopgap measure to provide some growing space to USI's young program, but the program has clearly outgrown the space and a new venue is needed to meet the needs of the University.

Off-Campus Location

The location of the theatre, approximately four miles from campus, has hampered the growth of the theatre program. It presents logistical difficulties to students who want to take classes on site. It also has hampered the growth of an audience culled from the University community, who find its location remote and inconvenient. Maintenance of the facility is difficult for Physical Plant personnel because of its distance from campus and the condition of the buildings.

Widening of Highway 62, the Lloyd Expressway

The area in front of the theatre will undergo change in the near future as the site is redesigned to become an entrance ramp to Highway 62, the Lloyd Expressway. This change will eliminate the support buildings for the current theatre and nearly 60 percent of the parking for the facility. Without the support buildings and with inadequate parking, the theatre will be virtually useless as a performance venue. Widening of Highway 62, the Lloyd Expressway, is included in the current Evansville Metropolitan Planning Organization Transportation Plan. The roadway project is in the planning stages, although a start date has not been determined. The pending roadway project requires the University to evaluate alternative facilities to accommodate the University's Theatre Program.

Maintenance issues and the need for upgrades and renovations in a building that will be rendered useless by the Department of Transportation make plans for any large expenditure of money in this facility impractical; the life of the facility cannot justify it, nor can its location.

Design of New Facility and Contribution to Education Services

The proposed Teaching Theatre with more than 350 seats more than doubles the seating available in the current theatre. It will be designed with a thrust stage and will be ideally sized to serve the needs of the Theatre Program and to provide a venue for special speakers, small performance groups, and musical recitals.

Educational opportunities in the Department of Performing arts include curricula in both theatre and music. The Theatre Program offers a fully articulated major in Theatre Arts as well as a minor in Theatre Arts and Theatre Education. Currently there are approximately 70 theatre majors while hundreds of non-majors take courses in theatre and music every year.

A joint production effort between the USI Theatre and the New Harmony Theater, known as the Fall Repertory Project, began in fall 2007. This program is an innovative model for undergraduate theatre programs. It brings professional theatre to the University. Undergraduate students gain the experience of working side by side with theatre professionals in classroom activities and in productions.

The new Teaching Theatre will attract more students into the Theatre Program and will provide theatre majors with a quality educational experience. With a larger auditorium many new and innovative programs will be possible on campus. From matinee performances for K-12 students to enhanced production schedules for theatrical and musical performances, the new teaching Theatre will provide cultural outreach to regional school systems and to the community.

ALTERNATIVES CONSIDERED

Productions and performance classes at the off-campus theatre were discontinued in 2007 due to the poor conditions of the building and because of the theatre's inadequate facilities. As a short-term solution, the Performing Arts Department uses the Mallette Studio Classroom located in the lower level of the Liberal Arts Center to teach studio classes and for productions. It is the only classroom dedicated to theatre instruction. Despite its on-campus location, it is not adequately designed to serve as the performance space to replace the off-campus theatre for several reasons.

- The support facilities for the Mallette Studio Classroom are not adequate for large or intermediate scale productions.
- Use of the Mallette Studio Classroom as a performance space requires relocation of classes to facilities that are not designed for teaching theatre performance.
- As a black box theatre, the Mallette Studio Classroom is not designed to offer design and technical students the broadest range of instruction.
- The Mallette Studio Classroom seats approximately 100 people, depending upon the staging configuration. The theatre is too small to serve the University audience without an extended performance run of shows. Additional runs add costs to productions and create hardships for participants because of additional time commitments. New theatre space will rectify this problem and allow for one week of production rather than the current two.
- The auditoriums and large classrooms on campus are considered lecture stages and lack the backstage support necessary for traditional theatrical productions or a practical educational experience.

Without a teaching theatre and with the inevitable loss of the off-campus theatre, the Theatre Program and the Department of Performing Arts will be forced to depend upon what is primarily a studio classroom or an alternative off-campus venue for performances. Other venues that might be rented in the Evansville area are even further from campus. In addition to issues of accessibility, these alternative venues would be more costly and would not provide a permanent solution for the Theatre Program and the Department of Performing Arts.

Plans for the construction of a performing arts facility have been a part of the University's Ten-Year Capital Improvement Plan for almost 20 years, since 1991-93. The proposed Teaching Theatre will provide a more appropriate venue for on campus theatrical and musical productions and other special events.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

The Teaching Theatre project is an integral part of the University's long-range facility plan. The University Center Expansion Project, currently under construction, includes the renovation of the existing library and expansion of the University Center. The Teaching Theatre, as part of the University Center complex, will be conveniently located and easily accessible to students and the University community. With access to meeting facilities and food services, the new Teaching Theatre will be a multi-use facility.

HISTORICAL SIGNIFICANCE

The project does not involve historically significant buildings. The proposed Teaching Theatre will be built as an extension of the University Center complex.

STAFF ANALYSIS

USI is requesting approval to construct a 33,500 GSF Teaching Theatre on campus to replace a decommissioned teaching theatre that is currently off campus. The estimated cost of the project is \$16.5 million, with \$2 million from gifts/donations, \$1.5 million from University Funds and \$13 million from state funds. Estimated fee replacement for this project is \$1.1 million and will begin payment in 2012. For 2011, USI's debt ratio is approximately 22.1% compared to the institution wide debt ratio of 13.6%. It is projected by CHE that USI's debt ratio will be 23.9% by 2013.

Currently, space for the teaching theatre is located in the Liberal Arts Center on campus in a studio classroom that has been retrofitted to be a teaching theatre. Prior to 2007, USI used an off campus location to house its teaching theatre; however, due to building issues, safety and location, USI decommissioned the site and moved theatre activities and programs on campus to the Liberal Arts Center. The current location can house 90 to 100 people and provides performances by students. There are no other locations on campus that provide a performance theatre setting or theatre set up for students and faculty.

USI has approximately 70 students majoring in theatre who utilize the current teaching theatre. Another 100 students who are non-theatre majors take classes that involve a teaching theatre setting. USI projects that with a new teaching theatre and performance facility additional students will enroll in the Performing Arts Program and take classes. In addition, the new facility will allow for other major events to be housed on campus and potentially generate revenue based on productions and events held at the new facility.

The cost to operate the new facility is approximately \$175,000 annually and would be paid for through campus wide operational savings. USI is currently working to secure the \$2 million in gifts for the Teaching Theatre and the \$1.5 million of university funds has been secured through setting funds aside *over time*. *With gift and university funds the cost to the state will be \$13 million or 79% of the total project cost.* Staff urges USI to continue to identify outside funding sources for this project as it continues its approval process in order to reduce the overall fee replacement and reduce USI's debt ratio in the future.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-4: Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus (Amended as of November 12, 2010)*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

Work on Phase 1 of Ball State University’s Central Campus Academic Renovation & Utility Improvements Project is underway. The three buildings being addressed by the Central Campus Academic Renovation are in critical need of renovation to address emerging instructional and technological requirements as well as outdated and inefficient mechanical and electrical systems. Phase 2 of the renovation will build upon the work started by Phase 1 by completing work in the Teachers College also addressing needs in Applied Technology.

Supporting Document

Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus, October 8, 2010.

CENTRAL CAMPUS ACADEMIC RENOVATION & UTILITY IMPROVEMENTS PROJECT – PHASE 2 AT THE BALL STATE UNIVERSITY CAMPUS

Project Description and Staff Analysis

SUMMARY

The Central Campus Academic Renovation & Utility Improvements Project is part of Ball State University's strategic plan to improve the core facilities serving the Teachers College, the College of Applied Sciences and Technology, the College of Sciences and Humanities, and the offices providing academic advising to all undergraduate students. The entire project will be comprised of two phases involving three neighboring buildings: Teachers College Building, Applied Technology Building, and North Quadrangle Building. The renovations of these three major academic buildings in the central portion of campus will provide state-of-the-art learning environments for students and faculty to study and work.

DESCRIPTION OF THE PROJECT

The Central Campus Academic Renovation & Utility Improvements Project-Phase 2 was presented as the University's highest capital project priority for the 2009-11 biennium. The 2009 Indiana General Assembly approved and appropriated funding for Phase 2 of the project. While Phase 1 addressed the renovation of the North Quadrangle Building and began work on the Teachers College Building Phase 2 will build upon these improvements in Teachers College and also include the renovation of the Applied Technology Building. Most of the mechanical, plumbing and electrical infrastructure and systems of the Teachers College are original to the building. Little renovation has been initiated since the building's construction, and the facility is now reaching an age when many component replacement needs have emerged, making a complete renovation project necessary. Renovation of this building will include installation of a fire sprinkler system, replacement of the vertical electric bus system, replacement of all main air handling units, and evaluation of all other systems. The portion of this work that will not be addressed with Phase 1 funds will be completed in Phase 2. The proposed renovation of the Applied Technology Building will involve upgrading of laboratories and technology infrastructure; replacement of lighting systems; improvements to heating, cooling, and ventilation systems; replacement of plumbing and plumbing fixtures; installation of new electrical and communication systems; and replacement of original floor, ceiling, and wall materials. The facility also will be renovated to provide total access for people with disabilities.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

Teachers College and Applied Technology, the two buildings to be renovated in Phase 2, are located in the heart of the campus. Because of the building's environmental systems, fire exiting arrangements, and program needs, the renovation should be undertaken as a continuous, intense project.

Constructed in 1966, the Teachers College Building remains a signature building on the Ball State campus. This high-rise, 126,000 square foot facility has retained its original purpose of providing instructional classrooms and faculty offices in support of the well-regarded Teachers College. The building is intensely used by more than 4,000 Teachers College student majors and faculty members. When renovated, the Teachers College Building will support and reflect the fresh spirit and importance of Indiana's future teachers.

Formerly known as the Practical and Industrial Arts Building, the Applied Technology Building was constructed in two phases between 1948 and 1950. The facility is a 93,000 square foot, two-story structure containing classrooms, laboratories, and faculty offices for the technology and family and consumer sciences programs. Throughout its history, the Applied Technology Building has served multiple academic programs and practical applications. As teaching methods and technology have become more advanced, periodic small renovations have been accomplished. However, little upgrading has been made to the comprehensive building systems.

The Central Campus academic Renovation & Utility Improvements Project builds upon one objective of the University's strategic plan – to create a vibrant and supportive campus atmosphere. The work will not only provide for necessary life safety and mechanical, electrical, and HVAC improvements, but also modernize classrooms to support today's teaching and learning practices.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

N/A

ALTERNATIVES CONSIDERED

N/A

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

N/A

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Ball State University is requesting favorable approval of the Central Campus Phase 2 project by the Commission. Phase 1 is a continuation of a major repair, renovation and utility upgrade project at the Ball State Campus, specifically the central quadrangle area that includes the Teachers College Building and the Applied Technology Building. The estimated cost of the Phase 2 project is \$19.7 million and would be funded entirely from state funds. The estimated fee replacement for this project is \$1.7 million annually. For 2011, BSU's estimated debt ratio is 10.3% and is projected to be 13.6% in 2013 based on Commission calculations.

Overall, the improvements being made will result in efficient buildings that offer academic space to students, faculty and staff at BSU. Estimated savings are difficult to determine at this time, however, BSU believes that with these new renovations and upgrades savings will be realized to help reduce the overall cost of operating these buildings. In addition, by renovating these buildings, much deferred repair and rehabilitation will be reduced overall for BSU and could result in less repair and rehabilitation funds in the future necessary to keep the campus maintained.

Staff notes that BSU has begun construction for Phase 1 with the North Quad and expects to complete the project by January of 2012. BSU is awaiting approval of Phase 2 in order to start renovations of Phase 1 Teachers College with the reasoning that savings could be created by bidding and starting all of Teachers College renovations for both Phases at the same time. With Phase 1 and 2 providing 50% of the work on the

Teachers College, BSU feels that having all funding in place at once would benefit the cost and renovation of the Teachers College. Staff notes that if funding is not provided for Phase 2 renovation only the North Quad renovation will be completed and the Teachers College and Applied Technology renovation will be placed on hold until funds are available.

AMENDMENT TO PROJECT AND STAFF RECOMMENDATION

Upon further review by BSU, Commission staff and the State Budget Agency, BSU has proposed an amended version to Phase II of the Central Campus Renovation.

BSU supports the amending the Phase II Central Campus Renovation amount from \$19.7 million to \$7.5 million to cover the cost of the remaining utility upgrades and renovations to the Central Campus area and final renovations to the Teachers College Building. This amendment would provide for 2 of the 3 buildings in the Central Campus plan to be completed and renovated and all utility upgrades and renovations finalized.

BSU will defer the renovation of the third building, Applied Technology to a later date. Originally, the Applied Technology building was scheduled to start renovation in middle of 2012. Through discussions with the Budget Agency and Commission staff, BSU has agreed that the Applied Technology building could be deferred to a later time but wishes to finalize the utility renovation of the Central Campus and the renovation of Teachers College.

The impact of this change will allow BSU to continue the renovation of Central Campus without having to create a hybrid utility system for the three buildings or leave portions of the Teachers College building lacking renovation work. The estimated fee replacement for the amended \$7.5 million project is approximately \$650,000 compared to the fee replacement for the entire \$19.7 million project at approximately \$1.7 million. Commission staff will note that BSU will need to seek approval from the Commission and the Budget Committee for the remaining \$12.2 million of authority for the Applied Technology building renovation. This most likely will occur sometime in 2011.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-6: Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

The Trustees of Indiana University request authorization to proceed with the construction of the School of Medicine’s Neurosciences Research Building located on the IUPUI campus. This project is estimated to cost \$53,000,000 of which \$43,000,000 will be funded through academic facilities/student fee bonds. The Indiana General Assembly granted the bond issuance of \$20,000,000 in 2007 and \$23,000,000 in 2009. In addition, the university will contribute \$5,000,000 from School of Medicine Gifts and \$5,000,000 from Auxiliary Reserves to this critical project.

Supporting Document

Neurosciences Research Building at the Indiana University – Purdue University Indianapolis Campus, October 8, 2010.

NEUROSCIENCES RESEARCH BUILDING AT THE INDIANA UNIVERSITY – PURDUE UNIVERSITY INDIANAPOLIS CAMPUS

Project Description and Staff Analysis

SUMMARY

This project constructs the Indiana University School of Medicine's Neurosciences Research Building located in the area of 16th street and Senate Avenue near the Methodist Hospital campus in Indianapolis, Indiana. The Neurosciences Research Building, formerly named Research Institute IV, is a continuation of the School of Medicine and Indiana University's focus on expanding and strengthening the biomedical and life sciences research capability of the university. This building provides laboratory-research space for new scientists and expansion space for existing psychiatric and neuroscience research at Indiana University (IU) to create a unique national model for collaborative, transdisciplinary patient care, research, and education for neuropsychiatric and neurological disorders is reflected in two proposed buildings fostering the critical links between superb clinical services and advanced research on disorders of the nervous system. The IU School of Medicine Neuroscience Research Building will bring together current research faculty, newly recruited investigators, and practicing clinicians in a novel organizational structure to achieve both excellence and efficiency in transdisciplinary and translational (bench to bedside and back) research. The location of the new Neurosciences Research Building near the Methodist Hospital campus will capitalize on synergies that are developing in that location. This will be the first building on the site to be jointly developed by IU and Clarian. Development of the research building will be adjacent to the proposed Clarian Neuroscience Center of Excellence Building which will house the offices and outpatient care and research activities of clinical faculty in the psychiatry, neurology, and neurosurgery departments at the IU School of Medicine. This synergy will insure that opportunities for translation of research discoveries to patient care will be both identified and fostered. The northern terminus of the Clarian People Mover connecting Methodist Hospital with the IUPUI campus is located adjacent to this site for easy access to the medical school campus and hospitals. The synergies created by this confluence of laboratory, hospital, and medical staff buildings make this an ideal location for the IU School of Medicine's Neurosciences Research Building.

DESCRIPTION OF THE PROJECT

The Neurosciences Research Building contains approximately 74,000 assignable square feet (ASF) and provides basic research space for psychiatry, neurology, neurosurgery, and basic neuroscience research at Indiana University to create a unique national model for collaborative, transdisciplinary patient care, research, and education for neuropsychiatric and neurological disorders. The two proposed buildings will foster critical links between superb clinical services and advanced research on disorders of the nervous system.

The Institute of Psychiatric Research will be a primary occupant of the building. A portion of the Stark Neuroscience Research Institute will relocate to the new building.

The interior design of the facility is intended to foster collaborative research through shared technical support and centralized analytical facilities. The building features a modular floor plan to provide flexibility in adapting to changes in programs and funding, and to maximize the performance of scientific instruments. The dedicated vivarium will serve the basic research conducted in this building.

Design flexibility is the hallmark of any new laboratory-research building. This creates the ability to adapt to changes in technology and programs, so research is not limited by the building in which it is located. This "generic" space in this facility will not be highly customized; instead, it will meet a basic set of design criteria for ventilation, power, illumination, telecommunications, distributed utilities, and architectural finishes. A modular approach, generic in layout and equipment with specialized and unique equipment located in shared-equipment areas, meets this goal of flexibility and adaptability.

Rather than assignment of research space to traditional departmental units, the school has formed interdisciplinary teams of researchers with broad expertise and a disease oriented focus. The thematic teams include investigators in addictive disorders, neurotrauma, epilepsy, neurodevelopmental disorders such as autism, Alzheimer's and other dementias, anxiety and mood disorders, and pain. Research space design will incorporate access to shared state-of-the-art facilities for biochemical to behavioral approaches optimized to provide cross-fertilization of discoveries within and between the research themes.

Each laboratory group has access to common or shared-use facilities. Facilities that are not specialized, such as equipment and environmental rooms along with gas cylinder storage areas will be distributed throughout laboratory areas. Common support spaces for expensive instrumentation are key features of the newer multidisciplinary research laboratories; thus, spreading the cost of equipment over more users. Facilities housing highly specialized equipment will be located near laboratory groups using that equipment and taking into account considerations of security, safety, equipment requirements, and research sensitivity.

Research space is planned for aiding the transition of discoveries by our researchers into licensable intellectual property for new therapies and devices for patients with severe neurological disorders. Interaction areas with marker boards and comfortable furnishings would be placed in areas where people congregate. Principal investigator and staff-office locations would provide adjacencies fostering interaction and collaboration, yet allowing good laboratory supervision and oversight. Meeting facilities for informal and regularly scheduled meetings would be equipped with network capability for the use of digital presentation technologies.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The Neurosciences Research Building, along with Research Institute, Phases I, II, and III, directly support the university and campus emphasis on research and the Life Science Initiative. Also, it supports other outside entities in research and their funding contributions to the university. The project is part of Indiana University's long-range plan to provide critically needed world-class research space at IUPUI.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

In 2003-2004, a detailed survey of Indiana University's research space was conducted by the university. The survey found an immediate need for nearly 700,000 ASF of new research space on the IUPUI campus. The long-term (ten years +) need for research space on the IUPUI campus exceeds one-million square feet. The survey established that the key-limiting factor to the development of Indiana University's research capabilities is the lack of research space; thus, creating a serious impediment to the university in recruiting research faculty, acquiring external grants, expanding successful research programs already on campus, and pursuing new collaborations and fields of research. The goal of the university is to create the needed research facilities within the next ten years to maintain its position as one of the premier research universities in the nation. It is with this critical need for research space in mind that the Neurosciences Research Building is submitted.

The Neurosciences Research Building will allow Indiana University to continue enhancing its standing as a top-tier research university by providing modern research space that would assist in attracting new world-class scientists who could obtain grants and conduct groundbreaking research. The addition of this building to the IUPUI-research community would provide critical laboratory research space for new scientists and expansion space for existing research on campus. This new facility and others like it would help the university recruit and retain more of these world-class scientists.

This new facility would provide modern and critical laboratory and research space for several key departments such as the Institute of Psychiatric Research (IPR) and the Stark Neurosciences Research Institute (SNRI). The IPR is an important part of the Indiana University School of Medicine's Department of Psychiatry. Now in its fiftieth year, the mission of the IPR is "to understand the neurobiological origins of and develop treatment for psychiatric disorders such as addictions, schizophrenia, anxiety, mood disorders, autism, Alzheimer's disease, and sleep disturbances resulting from these disorders." In addition, IPR faculty serves as mentors to PhD and MD/PhD students in the graduate program in medical neurobiology.

Neuroscience research has a long history of excellence at the Indiana University School of Medicine. With researchers from various disciplines, the SNRI focuses on applying advances in molecular, genetic, and imaging technologies to fundamental questions about brain function, dysfunction, and development.

The SNRI is home to several highly productive neuroscience-research groups including two internationally recognized research centers funded by the National Institutes of Health: (1) Alzheimer's disease and (2) alcoholism. Along with these efforts, there has been a local corporate focus on the development of drugs for neurological disorders at Eli Lilly Corporation, whose headquarters are located in Indianapolis, Indiana.

The Department of Neurology's Biomedical Research focuses on Alzheimer's disease, Jakob-Creutzfeldt disease, Pick's disease, progressive supranuclear palsy, and other neurodegenerative disorders. The Department of Neurosurgery's faculty collaborates with SNRI and conducts research associated with spinal disorders and brain and pituitary tumors. The location for the new Neurosciences Research Building near the Methodist Hospital campus will capitalize on synergies that are developing in that location. This building will be the first building planned in that area; the other will be a new Clarian-owned Medical Office Building containing offices, clinics, and programs directly associated with psychiatric patient care, research, and services. The northern terminus of the Clarian People Mover connecting Methodist Hospital with the IUPUI campus is located adjacent to this site for easy access to the medical school campus. The synergies created by this confluence of laboratory, hospital, and medical staff buildings make this a premium location for the IU School of Medicine's Neurosciences Research Building. A new parking garage is also planned as part of the complex of which approximately 300 spaces are included in this project.

ALTERNATIVES CONSIDERED

Due to space limitations and the critical need for more research space of this type on the IUPUI campus, it was determined in the early stages of this program that new construction in phases was the only option available.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project (formerly titled Research Institute IV) has been on the university's ten-year plan since 2002.

HISTORICAL SIGNIFICANCE

Indiana University does not consider any of the buildings or structures affected by this project to be significant.

STAFF ANALYSIS

Indiana University is requesting approval from the Commission to move forward with the Neurosciences Research Building for the IUPUI campus, to be located next to Methodist Hospital along 16th Street in Indianapolis. The estimated cost of the project is \$53 million, with \$43 million from state funding authorized by the 2007 and 2009 General Assembly, \$5 million from the IU School of Medicine gifts and \$5 million from Auxiliary Reserves. The estimated fee replacement associated with the \$43 million is \$3.7 million annually. For 2011, IU's estimated debt ratio is 13.3% and is projected to be 12% in 2013 based on Commission calculations.

The project has two major components, the requested Neuroscience Research Building by IU and the Clarian Neuroscience Center of Excellence building. The Neuroscience Research Building will house the Institute of Psychiatric Research that is currently housed on the Wishard site, along with various research faculty and staff located throughout IUPUI focusing on neurosciences. The IUPUI building will provide space for research faculty, students with the IU School of Medicine and staff who are working on neuroscience research. The Clarian Neuroscience Center for Excellence facility will house mostly outpatient care and research activities of clinical faculty, creating two facilities that will work together to research, study and possibly treat neurological issues.

Clarian will provide approximately \$100 million to fund their portion of this project which will include the Center for Excellence Building, Clarian's portion of the parking garage and various infrastructure improvements in the area being constructed. IU's cost of \$53 million will cover the research building, IU's portion of the parking garage and various infrastructure improvements in the construction area. Both buildings are tied together and create an investment of over \$150 million in the area of neuroscience research.

The operational cost of the new facility will be covered by vacating the current Psych Sciences Center, which will be demolished by Wishard as part of the New Wishard project. Researchers in that facility will move to the new Neurosciences Research Building and costs to operate will shift from the demolished building to the new facility, roughly \$1.3 million annually. Failure to construct a new neuroscience facility by the time demolition occurs could force researchers to look elsewhere for space or potentially move away from IU. In addition, since both projects are closely tied together in relation to research and clinical work, failure to act on this capital project could put into question Clarian's proposal to construct a neurosciences facility.

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-8: Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

At its meeting on May 28, 2010, the Purdue University Board of Trustees approved the project, "Health and Human Sciences Research Facility" on the Purdue University West Lafayette Campus." A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine – Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. The estimated cost of this total project is \$54,000,000, to be funded from combined Bond Proceeds (\$38,000,000) from the 2009 General Assembly and Gift Funds (\$16,000,000).

Supporting Document

Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus, October 8, 2010.

HEALTH AND HUMAN SCIENCES RESEARCH FACILITY AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine - Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. Further, it will be designed to preserve the image and culture associated with existing academic units while expanding opportunities for cross-disciplinary learning and engagement. A parking garage to accommodate approximately 850 vehicles is included in the scope of this project. The facility will be part of the Life and Health Sciences Quad.

DESCRIPTION OF THE PROJECT

The building will bring together multiple clinical training facilities into a new Purdue Clinics facility, including the Speech-Language and Hearing Clinics, Psychology, Nursing, Foods and Nutrition, Health and Kinesiology and the IUSM-L Objective Structured Clinical Exam facilities. As health care continues to progress toward interdisciplinary medicine, this facility will provide a forward-thinking venue for inter-professional learning and clinical education. A parking garage to accommodate approximately 850 vehicles is included within the scope of this project to enhance the success of the Purdue Clinics and their accessibility to the Purdue and the Greater Lafayette communities, as well as to provide needed parking for the Purdue campus.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This facility is a vanguard opportunity to advance the mission of the new College of Health and Human Sciences at Purdue University – a unique blend of academic disciplines promoting discovery, learning, and engagement scholarship that addresses matters affecting the health, behavior and quality of life of people. It will create a dynamic institutional environment responsive to evolving aspirations and opportunities in health and human sciences; attract and retain the highest caliber researchers, educators and clinical staff; develop and deliver educational programs that attract and prepare students for professions in health and human sciences; and in many other ways support the missions and visions of the new College of Health and Human Sciences, the Speech, Language, and Hearing Sciences Department and the IU School of Medicine-Lafayette.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The facility will provide the Department of Speech, Language, and Hearing Sciences a venue to fulfill their mission with regard to the study of human communication sciences and disorders, from basic clinical science to the delivery of clinical services and community engagement. This 75 year old program has excelled, despite its challenging location in the basement of Heavilon Hall on the Purdue campus. The facility will support the mission of the IU School of Medicine-Lafayette to advance the health of the people of the State of Indiana and beyond by promoting innovation and excellence in education, research,

and service to the community. Half of the students admitted to IUSM are assigned to one of eight regional IUSM centers for the first two years of school. IUSM-L is one of these centers, and has succeeded despite being located for 35 years in the basement of Lynn Hall on the Purdue campus. The facility will provide unique interdisciplinary clinical training and partnering opportunities for the participating Purdue Clinics; translating didactic and research knowledge into the delivery of clinical services and community engagement through service learning in multiple clinical degree programs.

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is consistent with Purdue's Master Plan.

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Purdue University is requesting approval to construct a new Health and Human Sciences Research Facility in the new Life and Health Sciences Quad on the West Lafayette Campus. The project will combine various departments into one facility, which is estimated to cost \$54 million. The project cost is broken down into the following funding sources: \$16 million in gifts/donations, \$16 million in parking revenue bonds, \$16 million in fee replacement bonds and \$6 million in indirect cost recovery funds. In total, the state will cover approximately 30% of the cost of this new structure and 70% will come from other funding sources.

The new facility will house the Speech Language and Hearing Services program, the Clinical Facilities program and the Medical Education program (IU School of Medicine – Lafayette). These programs will vacate space on campus and will be moved into the new facility; however, vacated space will be used for other purposes campus wide and will not generate operational savings to Purdue. The cost to operate the new facility will be approximately \$435,000 annually and will be paid for through Purdue's general fund.

The Health and Human Sciences facility is the number one priority for capital projects that have fee replacement associated with the project. The project is a major part of the evolving Life and Health Sciences Quad that will include the Drug Discovery Lab, the Agriculture & Biological Engineering Facility and the Central Machine Shop Facility. By combine the abovementioned programs into one facility, Purdue will be able to co-locate the programs related to the College of Health and Human Sciences into one main facility versus throughout campus in different buildings.

Financially, Purdue has secured the \$16 million of gift money and will use parking revenue to fund the \$16 million parking garage that will support the new facility's staff, patients and faculty. Of the \$6 million that will funded through indirect cost recovery, Purdue University notes that adequate funding is available through this allocation program to cover a portion of the cost of this facility and understands that if indirect cost funds were to decrease, other funding options would need to be identified. For 2011 Purdue's overall debt ratio is estimated at 9.9% and is projected to be 12% by 2012 based on Commission calculations.

COMMISSION FOR HIGHER EDUCATION

Friday, November 12, 2010

INFORMATION ITEM A: Status of Active Requests for New Academic Degree Programs

<u>Institution and Site</u>	<u>Program Title</u>	<u>Date Received</u>	<u>Status</u>
1. BSU	B.A./B.S. in Construction Management	12/23/09	Under CHE review.
2. IU-Bloomington	B.A. in Fashion Design	06/30/10	Under CHE review.
3. IU-Indianapolis	Ph.D. in Urban Education	06/30/10	Under CHE review.
4. IU-East	M.S. in Management	06/30/10	Under CHE review.
5. IU-East – Statewide via Dist. Ed. Tech.	B.S. in Criminal Justice	06/30/10	Awaiting additional information from IU.
6. IU-Bloomington	M.S. in Medical Physics	10/18/10	Under CHE review.
7. IU-Kokomo and East	M.S. in Nursing	10/18/10	Under CHE review.
8. IU-South Bend	M.A.T. in Special Education	10/18/10	Under CHE review.
9. IU-South Bend	M.S.Ed. in Educational Leadership	10/18/10	Under CHE review.
10. IU-East	B.S. in Human Life Science	10/18/10	Under CHE review.
11. IU-East	B.S. in Biochemistry	10/18/10	Under CHE review.
12. Purdue-West Lafayette	M.S. in Aviation and Aerospace Management	10/29/10	Under CHE review.

COMMISSION FOR HIGHER EDUCATION

Friday, November 12, 2010

INFORMATION ITEM B: Capital Improvement Projects on Which Staff Have Acted

No Capital Projects have been acted upon since the October Commission meeting

COMMISSION FOR HIGHER EDUCATION

Friday, November 12, 2010

INFORMATION ITEM C: Capital Improvement Projects Awaiting Action

Staff is currently reviewing the following capital projects. Relevant comments from the Commission or others will be helpful in completing this review. Three forms of action may be taken.

- (1) Staff Action. Staff action may be taken on the following types of projects: most projects funded from General Repair and Rehabilitation funding, most lease agreements, most projects which have been reviewed previously by the Commission, and many projects funded from non-State sources.
- (2) Expedited Action. A project may be placed on the Commission Agenda for review in an abbreviated form. No presentation of the project is made by the requesting institution or Commission staff. If no issues are presented on the project at the meeting, the project is recommended. If there are questions about the project, the project may be removed from the agenda and placed on a future agenda for future action.
- (3) Commission Action. The Commission will review new capital requests for construction and major renovation, for lease-purchase arrangements, and for other projects which either departs from previous discussions or which pose significant state policy issues.

I. NEW CONSTRUCTION

B-1-08-1-02 Purdue University
Animal Disease Diagnostic Laboratory BSL-3 Facility
Project Cost: \$30,000,000

Purdue University seeks authorization to proceed with the construction of the Animal Disease Diagnostic Laboratory BSL-3 Facility on the West Lafayette campus. The expected cost of the project is \$30,000,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

F-0-08-1-03 Ivy Tech Community College of Indiana
Bloomington New Construction A&E
Project Cost: \$350,000

Ivy Tech Community College of Indiana seeks authorization to proceed with the expenditure of Architectural and Engineering (A&E) planning funds for a New Construction project at the ITCCI Bloomington campus. The expected cost of the project is \$350,000 and would be funded from 2007 General Assembly cash appropriation. This project is awaiting a letter from the Budget Agency requesting review.

E-1-07-1-01

Vincennes University
Advanced Manufacturing and Training Center in Jasper
Project cost: \$8,850,000

Vincennes University seeks authority to proceed with the construction of an Advanced Manufacturing and Training Center in Jasper. The total project cost is expected to be \$8,850,000. The 2007 Indiana General Assembly authorized \$8,000,000 in fee replaced bonding authority for this project. VU will raise the other \$850,000. This project is awaiting a letter from the Budget Agency requesting review.

B-2-09-1-10

Purdue University Calumet Campus
Gyte Annex Demolition and Science Addition (Emerging Technology Bldg)
Project Cost: \$2,400,000

The Trustees of Purdue University seek authorization to proceed with planning of the project Gyte Annex Demolition and Science Addition (Emerging Technology Bldg) on the Calumet campus. The expected cost of the planning of the project is \$2,400,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

B-4-09-1-21

Purdue University North Central
Student Services and Activities Complex A&E
Project Cost: \$1,000,000

The Trustees of Purdue University seek authorization to proceed with planning of the project Student Services and Activities Complex. The expected cost of the planning of the project is \$1,000,000 and would be funded from 2007 General Assembly bonding authority. This project is awaiting a letter from the Budget Agency requesting review.

A-9-09-1-12

Indiana University Southeast
New Construction of Education and Technology Building
Project Cost: \$22,000,000

The Trustees of Indiana University request authority to proceed with the new construction of the Education and technology Building on the Indiana University Southeast campus. The new building would be a 90,500 GSF facility and provide expanded space for the IU School of Education and Purdue University College of Technology. The project would be funded through state fee replacement appropriations. This project is awaiting a letter from the Budget Agency requesting review.

II. REPAIR AND REHABILITATION

None.

III. LEASES

None.

COMMISSION FOR HIGHER EDUCATION

Friday, November 12, 2010

INFORMATION ITEM D: Minutes of the October 2010 Commission Working Sessions

MINUTES OF THE COMMISSION WORKING SESSIONS

Thursday, October 7, 2010

I. CALL TO ORDER

The Commission for Higher Education met in working session starting at 6:30 p.m. (ET) at Indiana University at Bloomington, Indiana. Commission members in attendance were Cynthia Baker, Jerry Bepko, Dennis Bland, Marilyn Moran-Townsend, Ken Sendelweck, Keith Hansen, Carol D'Amico, Jud Fisher, Susana Duarte de Suarez, Eileen Odum and Michael Smith.

Absent were: Jon Costas, Chris Murphy and George Rehnquist

Staff present was Jason Bearce, Jon Gubera, Jason Dudich, Teresa Lubbers, Ken Sauer, Catisha Coates and Jennifer Seabaugh.

Also present were: Scott Jenkins (Governor's office), Dan Clark (Education Roundtable), William Bogard (State Budget Agency), Don Doucette (Ivy Tech), John Grew (IU), Tim Sanders (PU), Phil Rath (VU), Gretchen Gutman (BSU), Susan Williams (PU), Derek Redelman (Indiana Chamber of Commerce), Patrick Kelley (National Center for Higher Education Management Systems)

II. DISCUSSION

- A. Chair Michael Smith called the meeting to order at 7:30 p.m.
- B. Jennifer Seabaugh, Commission for Higher Education, gave a brief update on the fall enrollment numbers from the institutions. The window to submit this data to CHE's Student Information System (SIS) is September 15 through October 15.
- C. Patrick Kelley, Senior Associate for the National Center for Higher Education Management Systems presented his findings on a study he conducted on all Indiana public institutions (by campus). His report was commissioned by the Indiana Chamber of Commerce and the Commission for Higher Education. The study examined performance by each Indiana public campus in comparison to peers from around the country; these peers were selected by the Indiana institutions in consultation with CHE previous to the report. Overall Indiana schools were average in comparison with their selected peers with some performing better and some worse than others. His major implication from the study was all Indiana colleges showed room for improvement.

III. ADJOURNMENT

The Chair adjourned the meeting at 9:00 p.m. (ET).

MINUTES OF THE COMMISSION WORKING SESSIONS

Friday, October 8, 2010

IV. CALL TO ORDER

The Commission for Higher Education met in working session starting at 7:45 a.m. (ET) at Indiana University at Bloomington, Indiana. Commission members in attendance were Cynthia Baker, Jerry Bepko, Dennis Bland, Marilyn Moran-Townsend, Ken Sendelweck, Keith Hansen, Carol D'Amico, Jud Fisher, Susana Duarte de Suarez, Eileen Odum and Michael Smith.

Absent were: Jon Costas, Chris Murphy and George Rehnquist

Staff present was Jason Bearce, Jon Gubera, Jason Dudich, Teresa Lubbers, Ken Sauer, Catisha Coates and Jennifer Seabaugh.

Also present were: William Bogard (State Budget Agency), Don Doucette (Ivy Tech), John Grew (IU), Tim Sanders (PU), Phil Rath (VU), Gretchen Gutman (BSU), Susan Williams (PU), Derek Redelman (Indiana Chamber of Commerce), Patrick Kelley (National Center for Higher Education Management Systems)

V. DISCUSSION

A. Michael McRobbie, president of Indiana University-Bloomington, presented Indiana's strategic plan both for the main campus and for each of the regional campuses and Indiana University-Purdue University at Indianapolis. He highlighted their mission statement and the alignment of IU's goals with that of the Commission and Indiana as a whole. He also mentioned the change of Clarian Health to IU Health.

VI. ADJOURNMENT

The Chair adjourned the meeting at 8:58 a.m. (ET).