Chairman William R. Goins called the December 14, 2006, regular meeting of the State Board of Trustees to order at 12:30 p.m. in the Panorama Ballroom at the Radisson Hotel City Centre, 31 West Ohio Street, Indianapolis, Indiana.

A. **ROLL CALL:**

Secretary Marvin E. Foote called the roll and the presence of a quorum was announced. The following State Trustees were present:

- Mr. William R. Goins, Chair
- Mr. Jesse R. Brand, Vice Chair
- Mr. Marvin E. Foote, Secretary
- Mr. Joseph T. Bumbleburg
- Ms. Leigh A. Duckwall
- Mr. John P. Griffin
- Mr. Lee J. Marchant
- Mr. Mark J. Neff
- Mr. Norman E. “Ned” Pfau, Jr.
- Mr. V. Bruce Walkup
- Ms. Linda E. White (via phone)
- Ms. Kaye H. Whitehead

Trustees unable to attend the meeting:

- Mr. Lawrence R. Foster, Jr.
- Ms. Martie Rivas-Ramos

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

Secretary Marvin E. Foote confirmed that notices of the December 14, 2006, regular meeting were properly mailed and posted.

C. **APPROVAL OF BOARD MINUTES:**

Chairman William R. Goins directed the trustees’ attention to the minutes of the October 12, 2006, regular board meeting. Trustee Marvin E. Foote made the motion to approve the October 12, 2006, minutes as submitted. Trustee V. Bruce Walkup seconded the motion, and the motion was carried unanimously.
D. **STATE OF THE COLLEGE:**

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

- President Lamkin announced that the search for a new chancellor for Region 6 was recently concluded, and that he is recommendin that Ms. Gail Chesterfield be confirmed as Chancellor for Region 6. Vice President for Administration William F. Morris reported that the search process that the State Trustees approved was followed to a successful outcome. The search process began last fall with the creation of an advisory search committee comprised of State Trustee Kaye H. Whitehead, Regional Board Chair Jeff Lang, Region 3 Chancellor Mark Keen, Vice President for Professional Development Bob Garton, and representatives of the three campuses from the region. Region 6 Board Chair Jeff Lang added that he was involved in this search process from the very beginning and on behalf of the Region 6 Board of Trustees, he gives his unanimous support to the nomination of Gail Chesterfield. Mr. Lang said that he has had the chance to work closely with Gail in her acting chancellor role for over a year, and he has been impressed with the way the region is run and how she has developed her leadership style. He said it was his honor to ask the Board to confirm Gail Chesterfield as Chancellor of Region 6. State Trustee Whitehead commended Vice President Morris for doing a professional job and outlining the procedures to all of the participants. She said that this was the first interview process in which she has been involved within the Ivy Tech system, and she felt like everyone felt comfortable with the process and felt comfortable asking questions. She said that the committee was especially interested in the thoughts of the representatives from the three campuses in the region. Those people were open in their thoughts. The whole procedure was well done, and she agrees with the outcome. President Lamkin called Ms. Chesterfield forward and officially submitted her name to the Board as his nomination as the new chancellor for Region 6/Muncie. Trustee Whitehead moved that the Board confirm Gail Chesterfield’s appointment as the Chancellor for Region 6/Muncie. Trustee Foote seconded the motion. Trustee Bumbleburg amended the motion such that the secretary of the board be instructed to file a unanimous ballot approving the nomination. Trustee Jesse R. Brand seconded the amended motion, and it carried unanimously. Chancellor Chesterfield said that it was an honor to be appointed chancellor after serving the College for so many years in a variety of positions. She said that she started out as a faculty member and has had the opportunity to work with many talented people and has gained valuable lessons throughout her career. She thanked Chairman Goins and members of the Board, her colleagues who have been supportive in her acting role in the recent months, and friends throughout the College. She thanked the Board for the opportunity and she stated that she is looking forward to serving the College and the students and citizens of east central Indiana.

- President Lamkin invited the Distinguished Alumni Award winner Julius Anderson from Region 6 to the Board meeting today because he was not able to attend and be
recognized at the Annual Conference this past October. Chancellor Chesterfield said that Mr. Anderson is very deserving of this award and highlighted his many achievements, recognitions, and service to the community and presented him with the Distinguished Alumni Award. Mr. Anderson said he was honored to receive the award. He said that he is a big Ivy Tech supporter: he preaches about it at local high schools and the area career center. He said that Ivy Tech is one of the best things to ever happen to him, and this reminds him how special Ivy Tech is. He said that he is one of the voices out in the community talking about Ivy Tech, and he will continue to do whatever he can to promote the College. Concluding his remarks, he said that a spiritual advisor had left him with these words: if you can’t fly, then run; if you can’t run, then walk; if you can’t walk, then crawl; if you can’t crawl, then roll; you have to keep moving. Mr. Anderson said that after Ivy Tech, he continued to move and he is moving now, and we all need to keep moving.

- President Lamkin called on Region 9 Trustee David Stidham to share with the Board one of the noteworthy things he has done for his region. Chairman Goins added that Mr. Stidham is very committed to the Richmond community and lives by what he preaches; he also puts his money where his mouth is and has done some great things with promoting diversity. Mr. Stidham thanked President Lamkin and Chairman Goins for inviting him to address the Board today. He reminded the Board that they heard about the Lilly Endowment Special Initiative to Strengthen Philanthropy for Indiana Higher Education Institutions, otherwise known as Lilly Phase 2. Through that program, Lilly Endowment would match $2 million raised by trustees with $2.5 million from the Endowment. This initiative gave he and his wife, Carla, the opportunity to change some lives by creating, with help from the Lilly Initiative, a scholarship fund of $250,000. He and Carla decided that the recipients of the Stidham Family Scholarship Fund would be high school graduates from any of the Wayne County high schools that came from a minority group—or underrepresented population. They also wanted the recipients to be pursuing degrees or have interest in three specific areas: education, health care, and business. They decided that the recipients would be minorities after hearing stories from longtime friends about the racism they experienced in Richmond in the 1950s. In the Richmond Community Schools, about 11 percent of the student population is African-American; less than 3 percent of teachers are African-American. Opportunities lie in education, and we have to make access to higher education available to these young children. He recognized and thanked Lilly Endowment because he said this would not have happened without their help. He was happy to report that two young African-American women have been enrolled at Ivy Tech Richmond on the Stidham Family Scholarship Fund for the past 9 months. One student is studying to be a nurse and the other is studying to be a teacher. He thanked the Board for the opportunity to share this program with them.

- Concluding his report, President Lamkin called on Dr. Rebecca Nickoli, Executive Director of Academic Support Services, for a report on Ivy Tech libraries and the upcoming accreditation visit. Dr. Nickoli said that it has been a pleasure to be
associated over the last 13 years with the development of the libraries within the College. There was a time in the College’s life when these spaces were identified as learning resource centers; they have since earned the traditional term of library. Today, libraries are all about technology, and our library personnel are some of the most technology-savvy people at the College. About 13 years ago, the Foundation partnered with the College in creating the growth and development of libraries with a special campaign aimed at the virtual part of the library, which represents the technology side. Our virtual library developer, John Friabley, who is currently the Library Director in Region 2, won a national award from the Kodak Foundation several years ago for his role in the development of our libraries. To reinforce just how our reputation has grown in the area of libraries, a colleague who is a president of a community college in Minnesota called to say that she was referred to Ivy Tech by the Higher Learning Commission who said we had a good reputation as a community college library; the colleague asked for assistance in developing their own library. The librarians have served as a model of collaboration and strategic planning. They wrote their first five-year strategic plan in 1997 and are currently near the end of their second five-year plan. They set very specific goals for collection development, growth of technology, for hiring professional technical staff, for space; and they have worked that plan over time and are getting ready to write their third five-year plan. Much of this came about in connection with our accreditation processes. When we had the learning resource centers and the accreditation teams visited, they would cite the library and say that it is not adequate for the programs being offered and that the students are not getting the kinds of resources that they need. As a result of the strategic planning and support of the Foundation and the virtual library efforts to stretch those resources, we have a model library system. The collaboration of the libraries has served to stretch the funds, because none of the regional campuses on their own could buy the kinds of resources that are available now. The librarians have collaborated with vendors over the years to get the best prices so that the whole College can benefit from subscriptions to these resources. The online resources are particularly important for the distance learning students, and information literacy is an important product of the libraries because it is important workplace skill.

Dr. Nickoli also reported that the accreditation self-study committee has begun meeting. There are seven sub-committees, and two with special emphasis: one on the subject of diversity and one on technology. The steering committee identified those as areas that the College needed to focus attention on. A self-study is an important tool for institutional improvement. The criteria for accreditation are much different than they were a few years ago with more of a focus on the future and outcomes. Dr. Nickoli said she would continue to update the Board as the preparations for the accreditation get underway.

- At this time, Trustee Marchant presented President Lamkin with a picture taken during his retirement recognition ceremony held in Bloomington a few weeks ago.
E. **TREASURER’S REPORT:**

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

- Treasurer Bob Holmes said that we are nearing the halfway point of the 2006-07 fiscal year. Through November, revenue is up $15.5 million as compared to last year. The majority of the increase is in student fee revenue which has grown by $13.8 million. This reflects the 4.8 percent student fee increase effective with the summer term, as well as the strong enrollment growth we had so far this year for fall term. Our full-time equivalent enrollment is projected to be up 6.3 percent for the year, and preliminary comparisons for spring term also look positive. State appropriations have grown by $2.3 million this year as compared to last year. In addition, the state has repaid some of the accounts receivable that they owe us. They have repaid us about $4 million of the $10.8 million that they owe us from when they withheld funds from all of higher education in 2001-02. The final $700,000 that was authorized by Senate Bill 345 was approved at the December 6 State Budget Committee meeting. We should receive that check later this month, but the state still owes us about $6 million. Other revenue has declined slightly as compared to last year. We have had significantly improved investment earnings, but that has been offset by decreases in overhead recovery, some insurance recovery, and other miscellaneous revenue. Expenditures have grown by about $13.2 million as compared to last year. About $3.6 million of the increase is due to the Banner Software Implementation project that is now underway for which we have been saving steadily for for the last several years. This is a $34 million dollar project which we plan to finance entirely through operations so we do not have to borrow money. The remainder of the increase in expenses results from the 3 and 4 percent salary increases, the addition of 31 new full-time faculty members system-wide since last fall, and other expenses associated with serving a growing student population. Addressing our 2005-06 Annual Report, Vice President Holmes said that Trustee Neff had previously reported that the Board of Accounts completed their annual audit and gave us a clean opinion letter with no management letter. Vice President Holmes said he was pleased to report that we ended the year in solid financial shape. Net assets totaled $244 million, an increase of about $19 million from last year. Vice President Holmes directed the trustees to the report to highlight several key comparisons over the last five and 10 years that show our growth. Our total tuition and fees have more than tripled in the last 10 years; state appropriations have more than doubled; our auxiliary enterprise revenues—primarily our bookstore—have more than tripled in the last 10 years; our instructional expense has increased significantly; we are funneling a higher percent of our total resources into instruction; our outstanding debt has increased significantly; our enrollment, both headcount and FTE, has increased significantly—nearly a doubling in headcount and more than doubling in FTE. Directing the trustees to the budget scorecard and the narrative description of action taken on our budget request by the Commission for Higher Education, Vice President Holmes said that at each step of the budget process, he will provide a new scorecard and new narrative so the trustees can compare the actions taken by the General Assembly, the Budget Committee, or CHE with what our original request was. For
example, on price inflation we had requested a 3 percent increase in our expenditures; the CHE recommended a 1.4 percent increase the first year and a 2 percent increase the second year on the state appropriation amount only. State appropriations make up about 60 percent of our budget and student fees make up about 40 percent. On enrollment change, we were due by the formula about $12.5 million. Several years ago, that was almost a contract between state government and higher education whereby they would pay us for all new students that we brought in based on a certain formula. This is still a high priority for the state, but in the last several years, they have not been able to afford full funding of the formula. What the CHE recommends here is providing half of that funding the first year with the other half coming in 2008-09. For the enrollment change residual, we had requested what they had not been able to pay us in the prior biennium—about 10 percent. The CHE did not recommend that. Plant expansion (cleaning, providing utilities, security for new buildings, new leases) has a greater impact on us as a growing institution that has some very old buildings. No funds were recommended for that, which means that if we bring on new facilities, we will have to reallocate in order to pay for those bills along with the new facility. For quality improvements, we had requested $5 million the first year and an additional $5 million the second year for two categories of additional faculty: new and expanding programs and remediation. The Commission did not recommend either of those, nor did they recommend quality improvements for any institution. There were no further reductions. The total expenditure increase will be about $8 million the first year and an additional $9 million in the second year for our general operations. The line items are special appropriations that are made separate from the Ivy Tech total and are dedicated for certain purposes. They provided a 3 percent increase for our workforce certification and our Valparaiso nursing project. They also funded a $1 million capital lease for a new joint project that we had with the city of Fort Wayne that was started in 2006-07 but was included in this year’s budget for the first time. Also in the Fast Track and Double Up program where Ivy Tech provides some assistance to the high school dropout problem, we received $1 million the first year and $3 million extra in the second year for a total of $4 million. They provided all of our new debt service that we had requested that goes along with new capital projects, and R and R was a slight improvement from last year: they will fund half of the formula amount, which means $400,000 more per year than what we are currently receiving. On the capital budget, we were recommended for two projects: Fort Wayne for $26.7 million and Logansport for $10.5 million. Both of those are less than our request. The whole area of capital funding will be a significant issue during the legislative session. Trustee Bumbleburg mentioned reading an article in the Indianapolis Star which essentially belabored the academic institutions for the amount of interest paid on debt service; it was suggested that the interest on the debt service is out of hand and he thought it might not be that accurate. Given the fact that the legislature will convene shortly, if this debt service issue comes up, he wondered if we could create a defense because, between Ivy Tech and Purdue, we are the only two institutions in the state that have an aggressive system of refinancing that saves interest. He hopes that we would persist in that view but that we would also try to get credit for what we do because we have been frugal. Vice President Holmes explained that Ivy Tech and Purdue were the first two institutions in Indiana to use variable rate debt. It was not until very recently
that other higher ed institutions got on board. Because of the way that the state provides
debt service, there is not necessarily incentive for other institutions to be innovative in
their debt management. Ivy Tech and Purdue were recognized for that once; we received
a letter from the governor several years back congratulating and recognizing us on the
efforts we make in that area. This is an area that we have a good record in and that we
are proud of. Vice President Holmes called for questions, and there were none. Trustee
Bumbleburg moved that the Treasurer’s Report be approved. Trustee Foote seconded the
motion, and the motion carried unanimously.

F. COMMITTEE REPORTS:

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

Chairman Goins called on Trustee Brand to present Resolution Number 2006-68 and Resolution Number 2006-78. Trustee Brand made the motion to approve Resolution Number 2006-68, Appointment of Regional Trustee, Region 8 appointing Mr. David Harris as a regional trustee for Ivy Tech Community College of Indiana – Region 8, representing Education; and Resolution Number 2006-78, Appointment of Regional Trustee, Region 10 appointing Mr. John Quick as a regional trustee for Ivy Tech Community College of Indiana – Region 10, representing Education.

Trustee Bumbleburg seconded the motion to approve the above two resolutions, and the motion carried unanimously.

Item 2 Chairman Goins suggested that the Board consider the following 3 resolutions as a single consent action since each had been thoroughly discussed in the Budget & Finance Committee meeting and with the entire Board in the Joint Committee meeting earlier this morning. With the Board fully apprised of each proposed resolution, Trustee Norman E. Pfau, Jr. moved that the 3 resolutions be adopted. Those resolutions are delineated as follows:

Resolution Number 2006-69, Authorization of the Board Regarding the Issuance of a Note to Refinance the Cost of Facilities at Region 4/Lafayette

Resolution Number 2006-70, Approval of Accounts Receivable Write-Offs for the Fiscal Year Ending June 30, 2006

Resolution Number 2006-71, Approval of Contract Award for Custodial Services at Region 1
Trustee V. Bruce Walkup seconded the motion to approve the above 3 resolutions, and the motion carried unanimously.

**Item 3**
Chairman Goins suggested that the Board consider the following 2 resolutions as a single consent action since each had been thoroughly discussed in the Planning & Education Committee meeting and with the entire Board in the Joint Committee meeting earlier this morning. With the Board fully apprised of each proposed resolution, Trustee Lee J. Marchant moved that the resolution be adopted. Those resolutions are delineated as follows:

**Resolution Number 2006-72, Approval of New Programs**

**Resolution Number 2006-73, Approval of Revised Program Organization**

Trustee Foote seconded the motion, and the motion carried unanimously.

**Item 4**
Chairman Goins suggested that the Board consider the following 3 resolutions as a single consent action since each had been thoroughly discussed in the Buildings, Grounds, and Capital Committee meeting, and with the entire Board in the Joint Committee meeting earlier this morning. With the Board fully apprised of each proposed resolution, Trustee John P. Griffin moved that all 3 resolutions be adopted. Those resolutions are delineated as follows:

**Resolution Number 2006-74, Request that Ivy Tech Foundation, Inc., Purchase 40 Acres of Land in Warsaw for Eventual Transfer to the College, Region 2**

**Resolution Number 2006-75, Approval to Purchase 0.193 Acres of Improved Land at 706 Sheridan Road in Evansville, Region 12**

**Resolution Number 2006-76, Approval to Exercise a Two-Year Renewal Option for the Connersville Instructional Center, Region 9**

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

Trustee Griffin said that **Resolution Number 2006-77** was withdrawn.

**Item 5**
Chairman Goins called upon Trustee Mark J. Neff to give the **Audit Committee Report**. Trustee Neff said there were no action items to be brought forth at this time.
G. OLD BUSINESS:

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

H. NEW BUSINESS:

Chairman Goins called for new business.

- President Lamkin asked the trustees to approve a new resolution, Resolution Number 2006-79. He talked with Governor Daniels this morning and reported that the governor was pleased that the Board will support the franchising of the lottery. Jeff Terp, Vice President of External Affairs, distributed copies of the press release. Trustee Walkup moved to approve Resolution Number 2006-79, Expression of Support of Governor Daniels’ Plan to Franchise the Hoosier Lottery and Provide Additional Funding for Higher Education, and Trustee Whitehead seconded the motion. The motion carried unanimously.

- Chairman Goins reminded the trustees that they had reviewed and discussed the proposed 2007 meeting schedule during Executive Session earlier this morning, and he called for a motion to approve the 2007 meeting schedule as discussed. Trustee Pfau made the motion to approve the 2007 meeting schedule, and Trustee Walkup seconded the motion. The motion carried unanimously.

I. ADJOURNMENT:

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

STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE

____________________________________
William R. Goins, Chair

____________________________________
Marvin E. Foote, Secretary

Dated December 14, 2006

Prepared by Tina S. Phelps, Recording Secretary