

MINUTES OF MEETING
IVY TECH STATE COLLEGE
REGION 9 BOARD OF TRUSTEES

April 1, 2004

The April 1, 2004, Board of Trustees meeting was held in the boardroom at the Ivy Tech Annex, 2230 Chester Boulevard, Richmond. Secretary Slonaker called the meeting to order at 4:00 p.m.

Trustees Roll Call

Trustees Present: Boyd Huff, James Koons, Malcolm Miles, Steven Slonaker and David Stidham. Trustees Absent: Ellen Bennett and Rebecca Gibson.

Also in attendance were State Trustee William Goins, Chancellor James Steck, Gene Ayton, Kara Monroe, Diana Pappin, Sabrina Pennington, Kim Thurlow, Steve Tincher and Marianne Schulze.

Guest in attendance: Carla Mason and Polly Raike.

Notice of Meeting

Formal notice of the meeting was verified.

Introduction of Guests

Secretary Slonaker called on Chancellor Steck for the introduction of guests. Chancellor Steck called on Steve Tincher to introduce Carla Mason. Carla was honored at a banquet in Indianapolis in February as the recipient of a Postsecondary Student Career and Technical Education Award for Excellence from the Indiana Department of Workforce Development. Ms. Mason was one of ten students across the state to receive the award. Sabrina Pennington introduced Polly Raike who was named to the third team of the All-USA Academic Team. Ms. Raike was honored for outstanding academic performance and leadership by Phi Theta Kappa honor society. Board members expressed congratulations to both students.

Chancellor Steck introduced Kara Monroe as the new Executive Director of Finance, Facilities and Information Technology. State Trustee Goins congratulated Kara and shared that budget hearings were recently held in Indianapolis and with Kara just stepping into her new position, Region 9 seemed to be the most well- prepared. Trustee Goins expressed thanks to Chancellor Steck and the staff for a job well done.

Meeting Minutes

Secretary Slonaker called for action on minutes of the February 5, 2004 Board meeting. Trustee Huff made a motion to accept the minutes as mailed; Trustee Koons seconded the motion and the motion carried unanimously.

Business Office Financial Report

Secretary Slonaker called for approval of the Business Office Financial Report. Chancellor Steck called on Kara Monroe, Executive Director of Finance, Facilities and Information Technology, who directed her comments to the February Financial Report included in the board packet. Last month a new column for estimated encumbrance adjustments was added and is at \$436,763. Current available balance is at \$1.3 million dollars. At this point we are in a very good position to end the year with a positive carry forward. Under other revenue, budget is at \$780,000 and YTD actual is at \$326,768. Other revenue is made up primarily of Corporate and Continuing Education Services (CCES) and some other small expenses. Projections are showing CCES to come in at a significant negative net position for the year. The CCES client base has been expanded over the year but the largest volume of revenue is tied to Visteon and the activity there which has not recovered from the drop in the economy. Student Fees accounts receivable is down from the last report as expected this time of year. Sponsored programs are all doing well at this point. Summary of the Richmond Planning & Construction budget is still showing a balance of \$3,613,693. There were no change orders over \$5,000. There was one purchase order over \$5,000 for Transportation Supplies, Inc., in the amount of \$6782.

Trustee Miles made a motion to approve the financial report as presented to the Board; Trustee Stidham seconded the motion and the motion carried unanimously.

Chairman's Report - Foundation Committee

Trustee Huff, Chair of the Foundation Committee, reported that the major gifts campaign is going very well and only \$250,000 more is needed to reach the stretch goal of \$1.7 million. One positive aspect of the campaign is that Ivy Tech is making new friends, and thanks to Trustee Slonaker for his part in the connection with Harvest Land Co-Op. Monies are still coming in and we are still hoping to meet the stretch goal.

Chairman's Report - Nominating Committee

Trustee Slonaker, chair of the Nominating Committee, reported that current board members serving in the three positions with terms expiring on June 30, 2004 have agreed to continue to serve on the Board if elected to do so. Those positions and members are: Agriculture position, Steven Slonaker; At-Large position, Malcolm Miles; and Commerce position, David Stidham. (Official vote was taken under Action Items on the agenda.)

Administrative Report

Chancellor Steck called on Sabrina Pennington, Dean of Student Affairs, for an enrollment report. Spring semester enrollment was 1795 HC, up 2.9 percent and 868.2 FTE, up 4.3 percent compared to spring 2003. Dual credit has increased as well. The final enrollment report will be given at the June Board meeting.

Dean Pennington reported that issues encountered during the spring semester with the campus bookstore are being addressed. It was decided to begin the process of moving toward having our own bookstore. We will start by hiring a part-time person to process Internet orders where the majority of the problems were. Students will fax orders to us directly and we will take the orders to the bookstore for processing. This will enable us to provide service directly to our students and have an opportunity to have an employee at the bookstore on a regular basis making sure our students are being taken care of. We will be giving IU East notice that we will cease using the bookstore at the end of fall 2005. Ivy Tech bookstore will start operations in the end of fall 2005.

Dean Pennington will share the Dare to Dream II Report at the June Board meeting.

Chancellor Steck called on Kara Monroe for an update on the Center for Health Education Building. The lease on the building was due to expire in July 2004 and has been renewed until August 1, 2005. We will continue to offer classes in the building until then.

Chancellor Steck reported that the presidents of higher education institutions in the state of Indiana received a letter from Governor Kernan in which the Governor asked institutions to keep tuition increases at 4 percent or less and to hold public hearings on the matter. Ivy Tech held a public hearing, chaired by State Trustee Goins, in Indianapolis. Coming out of the process is a recommendation going to Trustee Goins and his colleagues at the upcoming State Trustees meeting for a 3.9 percent increase which is in compliance with the Governor's request. Ivy Tech fees will increase about \$92.00 which is still the lowest in the state.

Chancellor Steck reported that reciprocity was discussed at the recent State Board meeting. The Indiana Commission for Higher Education reported that the Ohio Board of Regents must pass a two-step process beginning in May with final action in June. Action from the Commission for Higher Education will be at the May meeting. It is expected to have something here by the beginning of summer pulled together to finalize reciprocity.

Chancellor Steck shared a document received from the Commission for Higher Education that shows the actual state appropriations and the fees charged by various institutions around Indiana. Under column E – State Appropriation per FTE student, Ivy Tech is the lowest at \$2,838, still receiving far less than the state average in appropriations, even though the kind of education we deliver is sometimes more expensive to deliver. Column G puts together the tuition and fees, plus the appropriation per credit hour of \$173.86 is what we receive from the state plus what we charge students is what we have to work with in terms of resources and services that we deliver. This is even a larger percentage differential because the other institutions' fees are higher. This remains as a major challenge for us because our enrollment continues to grow rapidly and the difference keeps getting larger than that of the increases in state appropriations.

Chancellor Steck continued by sharing a document from the National Center for Higher Education Management Systems (NCHEMS) that was presented to the Indiana Commission on Higher Education on March 12, 2004. The document shows how we have an inverted relationship structure in Indiana's higher education system. Too many students are going to the high cost institutions and too few students are going to the community college. NCHEMS is planning to make recommendations to the Commission and to the Legislature and will provide more information to look at restructuring education in the state of Indiana. This document is available if you would like your own copy electronically.

Action Items

Secretary Slonaker called for action of an official vote on the slate of nominations as presented. Trustee Huff made a motion to close the slate of nominations as presented for those positions with expiring terms; Trustee Koons seconded the motion and the motion carried unanimously. The nominations will be forwarded to the State Board of Trustees for action at its June meeting.

Steve Tincher, Dean of Academic Affairs, presented an executive summary request for approval for Technical Certificate in Medical Assisting. Region 9 offers a two-year Associate of Applied Science (A.A.S.) degree in Medical Assisting. The new T.C. in Medical Assisting provides students with a shorter program than the 63 credit hour A.A.S. degree. Currently, students interested in a T.C. with a medical focus would enroll in the General Technical Studies T.C. (GTSTC). The GTSTC will be phased out as the new A.S. in General Studies is being implemented. The T.C. in Medical Assisting will provide students with a T.C. degree option and will also provide another degree option for students not admitted into nursing programs. Career options for Medical Assisting graduates include both clinical and medical office opportunities. Specialties considered for the T.C. include administrative, generalist, pharmacy technician and phlebotomy. It is expected that local demand for medical assistants will remain strong.

Dean Tincher requested that in order to facilitate implementation for the fall 2004 academic term, it is recommended the Board approve moving forward with plans for a Technical Certificate in Medical Assisting to be offered by Ivy Tech State College Region 9. The formal request would then be completed and forwarded to the appropriate college committees, boards, etc., and then on to the Commission for Higher Education for final approval. After a brief discussion, Trustee Miles made a motion to approve the request to proceed with approval for Technical Certificate in Medical Assisting. Trustee Huff seconded the motion and the motion carried unanimously.

Information Items

Update on Building Project:

Kara Monroe, executive director of finance, facilities and information technology, introduced Ed Soots of Lorenz Williams Clinton to speak regarding an update on Johnson Hall. Mr. Soots stated that the pouring of concrete floor slabs did not take place on February 23 as scheduled, when a problem with the lateral bracing on the building was discovered. Mr. Soots read the following prepared statement.

Summary of Lateral Support Steel Correction:

1. *It has been determined that the design of the lateral bracing of the building as designed is inadequate. This is the bracing that keeps the building frame from swaying in the event of high winds and earthquake events.*
2. *The problem began to come to light when the original diagonal bracing exhibited bowing along the length of many of the members. The installer acknowledged that he needed to tension them more, however, there was still a concern about their adequacy.*
3. *Robert Rogers, a licensed structural engineer with Lorenz Williams was asked to evaluate the bracing scheme to see if there were truly any concerns. In addition, two other independent structural engineers were asked to provide a cursory overview of the design. Their evaluation did find that the system as designed was not sufficient to meet the code requirements for seismic and wind loading in the lateral direction. The original designer of the structural frame is now retired and it is surmised that his expertise was weak in the area of lateral bracing design for a multistory building. It was also confirmed, however, that the remainder of the design is quite competent with no concerns.*
4. *Once it was established that a problem existed, all parties were immediately notified and a plan was made together to implement the corrections as quickly as possible to avoid any more delay in the progress than was necessary. It was decided on February 23 that it was best that the concrete floor slabs not be poured until the bracing was in place. This brought all progress to a stop.*
5. *Robert Rogers was asked to design both temporary and permanent bracing solutions in a fast track method that would allow the installation of some components while others were still in the design process.*
6. *To date, this process has worked very successfully with the temporary bracing in place already and some of the permanent bracing in place as well. About 80 percent of the steel for the north-south bracing is on site. The steel for the east-west bracing is on order and will arrive at the end of the week of April 5. The final connection designs will be done April 8.*
7. *At this point, the project has been delayed about six weeks due to this problem. Progress was stopped on February 23. The Skillman Corporation is working on options in regard to the schedule, whether to compress it or to extend it.*
8. *Lorenz Williams Clinton acknowledges that there is a structural shortcoming that is entirely the responsibility of the firm to cover. Lorenz Williams Clinton stands behind the Owner in this situation and is working as diligently as possible, and in concert with the Skillman Corporation, to bring the corrective work to completion. Lorenz Williams Clinton also is prepared to bear the cost of the corrective work and other damages to the Owner relating to it to the extent that is fair and legal. Costs for this work are being*

tracked for an accurate accounting of what those costs are. The Owner will be responsible to bear some of the cost of material that would have been incorporated had the design been correct in the beginning, however, the remainder of the cost due to wasted effort, wasted material, and delays would fall to Lorenz Williams Clinton to bear.

9. *Lorenz Williams Clinton is in contact with their insurance carrier attorney, providing constant updates.*

10. *The method by which the contractors are compensated for the corrective work happens by way of change orders. Their contract is with Ivy Tech and therefore they are paid by Ivy Tech for this work. Once the final amount due from Lorenz Williams Clinton is determined, the insurance company pays Ivy Tech.*

Trustee Huff questioned the impact of the integrity of the building and if there has been a problem with the structure due to recent high winds. Mr. Soots stated that the building had not been compromised and there had been no damage due to the recent high winds. Mr. Soots reiterated that Lorenz Williams Clinton takes full responsibility for the problem and that the firm's reputation is at stake with this problem. Mr. Soots also stated again that Lorenz Williams Clinton will be responsible for costs of the structural shortcomings, except for any "value added costs" such as material that would have been used if the original design had been correct in the beginning. Trustee Huff also questioned the method of payment of additional costs of the building construction. Mr. Soots stated that the contractors are contracted by Ivy Tech for services, therefore, Ivy Tech will be responsible for compensating the contractors. Once the final amount due is determined, Lorenz Williams Clinton's insurance carrier will reimburse Ivy Tech. Trustee Huff asked Mr. Soots if there was a dollar figure for the repairs and Mr. Soots replied that repairs would probably be in the \$100,000 to \$200,000 range and take 8 weeks time to complete.

Trustee Stidham asked Mr. Soots if the figure range included all costs. Mr. Soots indicated that Ivy Tech would bear some of the cost of material that would have been used had the design been correct in the beginning. The cost of additional labor would be the responsibility of Lorenz Williams Clinton. Mr. Soots continued that if there are any delay claims by the contractors that the contractors must present a claim dispute and the matter would be handled if the case arose. Mr. Soots indicated that it was his opinion that the contractors would have other jobs available to them and the claim dispute should not be a problem. Trustee Stidham asked where Ivy Tech stood in this matter and Mr. Soots responded that Lorenz Williams Clinton would work with Ivy Tech to make any adjustments needed.

Trustee Miles stated that Ivy Tech could withhold 5 percent of payment due until the matter is completely settled. Chancellor Steck mentioned that the numbers at this point are uncertain and the full extent of the costs will not be known until the full scope of the problem is determined. Mr. Soots then stated that Lorenz Williams Clinton has substantial insurance to cover the problem.

Chancellor Steck indicated that the value added component of the extra cost of materials will have to be addressed when the full extent is known and that determining what the value added component is will be a challenge. Chancellor Steck expressed appreciation for Lorenz Williams Clinton's stand and the willingness of the firm to accept full responsibility for the problem.

Kara Monroe shared pictures of the structural problems and explained the process for installing the permanent bracings. Trustee Miles suggested that a representative of the board of trustees be a part of a final walk through upon completion of the building.

Chancellor Steck shared that all board members are most welcome to attend any of the construction progress meetings and that he will keep the board informed via email of the construction progress.

There were no further questions.

Future Meetings and Important Dates

The State Board of Trustees meeting will be held on April 14, 2004.

The Practical Nursing Pinning Ceremony will be held at 10:00 a.m., on Saturday May 8, 2004 at the First Baptist Church, 1601 South "A" Street, Richmond. Commencement is Saturday, May 8 at 1:30 p.m., at the Tiernan Center. All are invited to attend both ceremonies.

The next Region 9 Board of Trustees meeting is scheduled for June 3, at 4 p.m.

Adjournment

Trustee Stidham made a motion to adjourn the meeting; Trustee Miles seconded the motion. There being no further business, Secretary Slonaker adjourned the meeting at 5:48 p.m.

Rebecca Gibson, Chairperson

P. Steven Slonaker, Secretary

Dated June 3, 2004
Prepared by Marianne Schulze