

IHETS Board of Directors  
August 16, 2002  
Conference call

Present: Benjamin, Ruble, Jischke, Smitherman, Blanchard, Ewick, Kramer + King, Fisher, Scott, & Tully

Benjamin called the meeting to order at 3:35

Kramer reported for the Management Committee on three months' deliberation regarding various approaches to presenting IHETS' 2003-05 appropriation request. At the Monday meeting, the Management Committee supported the position that IHETS follow the approach adopted by Indiana University (IHETS' fiscal agent), even though that position had not been finally determined. At that point it seemed apparent that IU and thus IHETS would request a 2% increase on personal services and a 1% increase on all other costs, plus reinstatement of the 7% cut experienced due to recent State budget cutbacks. That would bring the total request to \$7,256,871 for 2003-04 and \$7,357,218 for 2004-05. It was not clear how that request would be displayed, but the advantage would be that if the legislature disallows new programs, we would at least have a chance for a total 3.5% increase. Fisher added that as of this morning IU still had not made a final decision but would likely indicate the 2% plus 1% plus the full 7% "above the line" as restoration of the base in the hope that the State would do what it can. King noted that IHETS still expects to meet the August 23 deadline for submission to the Commission for Higher Education, so we need Board endorsement today to meet that deadline.

Jischke indicated that Purdue expects to meet that deadline, using an approach of capping its request at 3.5% total, with a few line items seeking to recover the full 7% reduction. He cautioned that requesting a net 8.4% increase may risk IHETS' credibility and we need to think harder about alternate ways to fund the system such as user fees and private funding. Asking for restoration is neither politic nor realistic. We need to show recognition that we aren't going to be able to fund IHETS in the same old way.

King added that John Grew forwarded the strong suggestion that we take the conservative approach of the 3.5% cap.

Jischke asked, given a staggering overcapacity in the financially strapped telecom industry, what that means to IHETS? King responded that in concert with Intelenet IHETS is pursuing opportunities to find dark fiber to reduce overall cost to ITN users either by expanding capacity for the same price or reducing bandwidth charges.

Kramer added that at least some Management Committee members favored keeping to the 3.5% cap so we can show how far that takes us toward recovery and then showing the remainder (up to 7%) as an addition.

Smitherman: as the largest satellite user, Ball State would like to see as much restored as possible to minimize the impact of satellite fees while it transitions its courses to IP delivery. Benjamin asked whether BSU has the capacity to pass along fees to the users, but Smitherman

replied this would be difficult given that so many are K12 schools which are also financially constrained. There might be value in describing, in the request narrative, the value of the kinds of services being provided via satellite.

Ewick noted that though state administrators and legislators continue to be interested in technology, it's dangerous to stick our neck out too far in these hard times. He supports applying whatever we can get to the satellite upgrade.

King recommended staying with the 3.5% cap. Ruble moved, Jischke seconded that IHETS cap its 2003-05 request at a 3.5% total increase, and the motion carried unanimously.

The meeting was adjourned at 4:15 p.m.