

***** UNAPPROVED DRAFT *****

IHETS BOARD OF DIRECTORS

June 21, 2005

IHETS Boardroom

PRESENT:

Patrick Alles, Independent Colleges of Indiana
Lloyd Benjamin, Indiana State University (Chair)
Jim Bottum, Purdue University
Mark Bruhn, Indiana University
Richard Helton, Vincennes University
Martin Jischke, Purdue University
Ed Kinley, Indiana State University
William Kramer, Ivy Tech
Gerald Lamkin, Ivy Tech
Fred Nay, Ball State University
David Ross, Morgan County Public Library
Mark Rozewski, University of Southern Indiana
Phyllis Usher, Department of Education
Lloyd Wright, Indiana Public Broadcasting

David Hensel, Sommer Barnard

STAFF: Dave King, Tim Fisher, Tim Ping, Kevin Siminski, Susan Scott, Lynn Ward, Julie Wheeler

Chairman Benjamin called the meeting to order at 2:35pm and introductions were made.

Benjamin reported that House Bill 1137, which takes effect July 1, eliminates Intelenet and creates the Indiana Office for Technology (IOT) and in that, it was mandated to appoint the CIO (Karl Browning) to the Board of Directors.

Benjamin reported that minutes from the Board meetings held on April 6, April 11 and April 22nd are available on the IHETS webpage. The minutes were accepted as distributed.

EXECUTIVE SESSION

At this time, the group moved into Executive Session, with Board representation only, to discuss legal issues

PUBLIC SESSION

Budget Endorsement: Kramer reported that the Management Committee met on May 17, 2005 to review the operating budget details for next year and has passed it on to the Board for endorsement while the budget numbers move through the IU system.

King reported that the appropriation reduction for the coming year amounted to \$825,000. Overall revenue expectations are down by about \$1.1M, which includes the \$825,000 reduction and other revenue reductions such as the satellite user fee income which is down from \$150,000 to \$47,000. King reviewed the areas where the approximately \$1.1M in operating expenses were cut.

In addition, King noted that this includes an additional reduction of \$20,000 to cover a flat salary increase of \$675 per staff member. That amounts to an average of 1.3%.

Following discussion, Jischke moved that the 2005-06 IHETS Operating Budget be approved. Helton seconded the motion and it passed unanimously.

IHETS 2005 Consortium Review: King reported that during the legislative session the Senate Appropriations Committee and legislative staff asked for cuts in the IHETS appropriation. In negotiating the consortium back from the brink, King agreed to ask members to help re-invent IHETS in a way that shifted fiscal responsibility to a degree but didn't dramatically reduce services that provide value to member institutions and learners across the state. Sen. Meeks and the Appropriation committee staff recognized that IHETS provides excellent service and has for decades. However, they said we need to find a way of funding our services that includes more direct support from member institutions.

To address the issues raised by the legislature, King recommended a review process and proposed that the Board appoint a review team that would consider three basic areas:

- Structure and function of the IHETS consortium
- Current and future suite of services
- Governance

King suggested that the Board appoint a small review team broadly representative of the various constituencies that IHETS serves. IHETS will support this review effort with logistics, information, support and planning, but the team will report to the Board. King proposed that the team report back to the Board before December 15, 2005 with options and suggestions for potential restructuring, priority setting, and a possible balance of fee-for-service, membership fee, or other approaches.

Following a lengthy discussion, Helton moved proceeding with the appointment of a review team to begin the IHETS consortium review process, with a final report due back between December 15, 2005 and January 15, 2006. Lamkin seconded the motion and it was unanimously approved.

I-Light2 Update: King reported that I-Light2 funding currently is controlled by the State Budget Agency. State CIO, Karl Browning has asked the Agency to hold any additional activity until State IOT can conduct a review.

New Business from Executive Session: Benjamin reported that it was agreed that IHETS will engage and pay for separate legal counsel to represent King during the legal investigation. IHETS will continue to pay for such representation as long as there are no accusations of criminal wrong doing.

With no further business to discuss, the meeting adjourned at 3:40pm