

Date: Tuesday, October 23, 2012
Time: 1-2 p.m.
Place: AO 103

Attendees: Joyce Mac Kinnon, Jerry Young, Andrew Winship, Thomas Fisher, Reed Smith, Sarah Koskie, Jack Schaaf, David Bivin, Michael Weaver, Steven Randal, Seth Payton, Brian Krohn, Antony Page, Marianne Wokeck, Andrea Copeland

1. Acceptance of minutes of September 11.
2. Issues for future meetings – See Appendix A: Survey Results

3. Parking Monetization

Update on parking monetization from Dawn Rhodes. We have canceled our last few campus committee meetings. A document has been created that includes both the Indianapolis and Bloomington campuses – what would have to be in the deal to make it palatable? What services would have to be included? Are there subsidies to support some functions; would these continue?

Monetization – concessionaire would purchase garages, flat surfaces, meters – we would lease our parking facilities to the concessionaire for a long period of time. In exchange for the lease, we would be compensated with a large lump sum. Compensating events – any time we would make a decision that impacts revenue thereby taking parking offline – we would need to pay the concessionaire; how much money do you set aside to pay back for compensating events?

Member: At the President's State of the University address, faculty members were passing around a petition against parking monetization and had collected over 500 signatures. They claimed there would be less parking because of the privatization.

DR: I've not seen anything that would lead me to believe that is the case. Doing this would lose the concessionaire money.

Committee – we've been talking about what would need to be in the deal. At IUPUI you can't divorce parking and transportation – we would want them to run the transportation piece as well as parking– we want to be more energy conscious.

Member: Why do we want to do this? Any time you add someone in to the equation it means you are getting less.

DR: a number of budget concerns (health care, lessening of state appropriation, etc). If you can get a lumps sum of money that you can then invest back into the institution – that would generate more dollars

Member – Band-Aid on an amputation?

DR: A board member used the analogy of borrowing on the future – how will you spend these dollars. You have to make significant ROI.

Member: Has money from parking has paid for garages?

DR: Yes

Member: If we take that away – it will have to come from someplace else

DR: We can't pay for a new garage without parking funds. The concessionaire would have to pay for it. In Bloomington parking fees have been used to subsidize other things. Also, IUB has not increased rates. At IUPUI we use our parking funds to maintain parking. The board meeting last week made it clear that not everyone is on board with the concept of monetization – more research needs to be done. Take the document and then put some financial numbers with it. Some estimates have been done but these have not yet been shared. All the financial people that responded to the RFP – how much would it cost – they would get a percent of the final deal. We need an independent person to see if this is the right thing to do. NO RFP has been put on the street or been approved –that is way down the road and much more needs to be done.

DR: The other difference between IUPUI and IUB is the clause to address any personnel that will lose their jobs and how will this be handled. Bloomington wants to guarantee employment or wages – on our campus we would make every effort to make to find employment for them – there is a RIF policy. The law does not support paying for non-work. We have outsourced before and we have never guaranteed those employees compensation – we can't make a guarantee

Member – are there any parking garages that are outsourced?

DR: The one by Riley that was just built – it has been outsourced to Denizen. That's not ours – it is an IU health garage.

Member – Will parking rates increase no matter whether or not we decide to monetize?

DR: yes

Member: I'm still trying to understand why we are considering this. Is it a matter of efficiency? How does it make sense economically for IUPUI?

DR: Your point is the crux of it – if we need the money now for something dire then we should be doing it.

Member: It can't be operational expenses. A Payday loan.

DR: Not sure how you plan with this type of agreement.

Member: Why can't we separate the two campuses?

DR: We have not talked about that – we have much more parking.

Member: It seems like they want to sell our parking to help them.

DR: What has been publically said – monies would stay on the campus it was generated on

Member: Why then can't we make that separate decision?

DR: Bloomington may not want this – their faculty is very much against this – they think that it is taking privatization too far – don't see the benefits. We won't do this if the board members are not convinced. They are clearly questioning the merits of this deal – but worth seeing the money involved.

Member – We ought to find out what the deal is and if its advantageous then we should do it. We might make more money than if we did ourselves

Member: what is our role?

Member: Two functions – be the conduit between our schools and this committee. You are getting some knowledge – and you can talk knowledgably about this issue. This is the voice for faculty affairs that across units. DR is here – she can take our questions and provide answers we can share with others.

Member: This committee reports back to faculty council. That would then be the representation of the faculty as a whole.

DR: Jack felt that faculty did know a little more than staff did – they knew that no RFP was out.

Member: Has there been fiscal oversight in the past with parking?

DR: Yes, parking is a part of finance administration. The bus, garages those are discussions.

Member – There is the perception of a lot of new vehicles every year.

Member: If it is being running efficiently then I have bigger problems with outsources. I view the people here as experts; they done it for a long time. I find that a knowledge gap is not likely to exist.

DR: Could we have been doing it better? There's more that we can do to make customer service better.

Member: Student employment is provided through the current system and would like to see that be a part of any decision made.

Member; Why did this idea surface?

DR: One of our board members, works for Morgan Stanley – is one of the financial advisers – he has been involved in parking deals – he did a presentation on public private partnership. What are other kinds of business deals you can do to generate more financial flexibly to invest in the academic infrastructure

DR: Then OSU came out with the fact they just brokered a big deal related to parking. The deals won't be as good the longer you wait. Other schools are looking at the feasibility because of that. That is why we have committees looking at this. Then it will go to a financial analysis. But the board recommends an independent consult first.

DR: The first call on any money we got would go to pay the debt services on current garages.

Member: How will garages be maintained?

DR: You have to negotiate performance standards

Member: everyone I've talked to – no one thinks it's a good idea

DR: I need to understand the reasons why – if people are saying it's because our fees will be raised and that there will be less parking that is inaccurate info.

Member –It will cut into your ability to change your campus – if we decide we need a new geobiology building – we can't do – because it's a parking a garage.

DR: We would lock in our parking footprint

Member: Is there flexibility with regards to term length?

DR: It is hard to know decisions to make today that will make sense over 60 years as in the case with OSU. We don't know how much something would cost. We can't predict every change that will be needed and what it will cost.

Member – If it's just cash flow – the question should be better now or later? Not these other issues.

DR: Housing, health wellness scholarships – these are the things we would use the money for. I think if we went forward with those things – you can't calculate a ROI on these types of things.

Member: My experience is if you don't talk about it when you can – a decision will be made and it will impact you and the university and you had no say.

IU Online Education Initiative

What is the fiscal impact of that initiative?

Member: Our biggest issue is space. This relates to resource planning and we are told no new buildings.

DR: We are constantly looking at space options.

Member: We need to keep all these conversations together.

Member: In nursing we need a larger capacity – to accommodate an online that many seats outside of class.

Member: Online fee is already in place.

Chair: Our assessments will go up to support this initiative.

DR: Unit tax and the campus assessment. After the budget was decided – we got a bill for online. Next year we will have to build that in the assessments for the school.

Member: This is a fee that is separate from other tuition fees. Our control is minimal.

Chair: do we want more info on this?

Members: Yes

Chair: undergraduate scholarships are down –

DR: The Enrollment Office presentation to the Resource Planning Committee laid out different types of scholarship programs and how much they would need to be full funded – something like 15 million. We don't spend very much on undergrad scholarship. I support putting more dollars into the budget – we have to figure out how to pay for it.

Member: What impact does the Impact Campaign have on scholarships? Is it hard to get people to donate money for scholarships? Why isn't there more of a student life focus?

DR: Don't know, although we do have 50 scholarships from that campaign, RISE related.

IU to freeze tuition for students on track to graduate in four years

Member: Bloomington has a flat rate – we do not have that options. There are real differences in how we can calculate college costs.

Member: Are the drivers in place to determine assessments? Or is this going to be a blanket share? Herron is an art school with studios and will not move online.

DR: If we add any dollars to scholarships – assessed as they currently are. Online will fall into university tax – university tax is currently being dispersed to the schools. We will send out the driver related to university tax. 50% FTE employee and 50% FTE students.

Member: Is this a make-up thing or is this related to online.

DR: It will always be a university tax.

Meeting adjourned 2pm

Appendix A: Survey Results

BAC Meeting 10/23/12 Summarization
14 respondents

Extend meeting

Yes 12

No 2

Start at 12:30 or go to 2:30

12:30 8

2:30 4

(one OK with either)

Topics/Issues

Parking monetization	3
IU Online Education Initiative	2
Tuition freeze	4
Funding undergrad scholarships	4
Strategic planning IUPUI-fiscal issues	2
Appropriation formula/assessments	5
Space issues	1
Faculty salaries	3
Allocation of funds from state's performance based formula	1
Coordinate offices dealing with internships	1
Medicine grouping (what schools are included) and others	1
RCM	1
Other centralization activities performance	2
University fund balance	1