

Indiana University - Purdue University Fort Wayne

Application for Institutional Change in Organization*

Prepared for:
The Higher Learning Commission

June 30, 2017

*Note for Viewing IPFW Change in Organization Application Materials - The "Change in Organization" application has been optimized for viewing. The bookmarks serve as the Table of Contents and are active links to the document. When viewing, please open the bookmark pane. If you open the document to review, the "zoom level" will default to maintain constant screen size. However, if you set a zoom level in the top menu, that zoom level will be preserved while you review the document.

Indiana University – Purdue University Fort Wayne Change in Organization Application

Section A: General Introduction:

Proposed Transaction Background:

Indiana University - Purdue University Fort Wayne (IPFW) is an independently accredited institution that confers Indiana University and Purdue University degrees. It is governed pursuant to the Amended Management and Academic Mission Agreement Indiana University – Purdue University Fort Wayne (Appendix A). Purdue University is designated by the agreement as the responsible corporation for managing and operating IPFW for the benefit of both Indiana University and Purdue University.

For the last several years, the state legislature, Purdue University, Indiana University, and IPFW have engaged in a discussion of how the Fort Wayne campus might best meet the needs of IPFW students, the greater Fort Wayne community, and the state. The discussion led to the initiation of a study by the Legislative Services Agency (LSA) to explore how to best position IPFW to serve those needs. After a comprehensive study and conversations with stakeholders, the LSA Report (Appendix B) recommended a realignment of academic programs offered at Fort Wayne to more effectively leverage the strengths of each institution to serve IPFW's metropolitan mission. These discussions resulted in a proposed agreement to establish a realigned governance structure for IPFW.

This application and the supporting documents serve as formal notification to The Higher Learning Commission of the intent of IPFW, Purdue University (Purdue), Indiana University (IU), and Indiana University Purdue University Indianapolis (IUPUI) to implement a realigned organizational structure that draws on the strengths of the universities to better serve students, the greater Fort Wayne Community, and the state of Indiana.

Process Leading to the “Agreement and Plan of Realignment for Indiana University – Purdue University Fort Wayne”

IPFW's University Strategic Alignment Process (USAP) was initiated in 2014 to institutionalize an evidence based approach for aligning university resources and university strategic priorities. The USAP process emphasized improving operational efficiency and effectiveness through aligning the strategic plan with specific measurable outcomes, metrics, actions, assessment, and evaluation. Consistent with this aim, reports produced in 2014-2015 (Appendix E) and 2015-2016 (Appendix F) prioritized and operationalized the current strategic plan (Appendix G) at the unit level. “Action Plan 41” (Appendix H) formalized the USAP reports as a series of prioritized action steps aligned to the strategic plan.

The "Amended Management and Academic Mission Agreement" (Appendix A) expired June 30th, 2014. Amendment 1 (Appendix C) was approved by the Trustees of Purdue and IU to extend the agreement through June 30, 2015. House Enrolled Act 1001 extended the agreement

effective July 1, 2015 for an additional year ending on June 30, 2016. This extension ran concurrent with the Indiana General Assembly's authorization of a Legislative Services Agency (LSA) study. The Indiana General Assembly enacted legislation in 2015 that authorized the LSA to evaluate and propose new models for the role and governance of IPFW.

The LSA evaluation was completed and a report including recommendations on the future governance of IPFW was issued on January 15, 2016. Amendment 2 (Appendix D) effective July 1, 2016 conditionally extended the agreement to June 30, 2021 or "...until and unless the Parties mutually agree to supersede and replace such Agreement with a new agreement prior to that date" (Amendment 2, Page 2) to allow time for IPFW, Purdue, and IU to consider the recommendations of the LSA. It further stated that each party will "...use its best efforts to explore and identify a realigned governance structure for IPFW and will cooperate with the other Party in that process, taking into consideration the recommendations described in the LSA Report and the USAP Report, as well as other factors to which the Parties may agree, with a mutual goal of presenting an agreed upon revised governance structure to the Parties' respective Boards of Trustees for approval in December 2016" (Amendment 2, Item 1, Page 2).

On December 16, 2016, the Boards of Trustees for Indiana University and Purdue University agreed to a realignment plan for Indiana University – Purdue University Fort Wayne as recommended in the LSA Report. The "Agreement and Plan of Realignment for Indiana University – Purdue University Fort Wayne" (Transactional Document 1, Exhibit 1) was conditioned on a specific timeline in which the primary parties (IPFW, Purdue, and IU) agreed to produce a Program Transfer Agreement to facilitate the LSA recommended change in governance and to produce a group of ancillary agreements that define the relationships and responsibilities of the respective universities upon approval of the realignment of missions resulting from the governance changes. The "Agreement and Plan of Realignment for Indiana University-Purdue University Fort Wayne (TD 1, Exhibit 1) was executed on December 16th which began a timeline that was constructed to meet an anticipated transaction close date of June 30, 2018 and a Realignment Effective Date of July 1st, 2018. This implementation timeline is presented below.

Implementation Timeline for Agreement and Plan of Realignment Indiana University-Purdue University Fort Wayne:

December 1 & 16, 2016 – Agreement and Plan of Realignment agreed to and signed by the Indiana University Board of Trustees and Purdue University Board of Trustees respectively

December 2016 - Notification of initiation of change process to HLC to establish timeframe and clarify requirements for Initial Interaction Review.

December 15, 2016 - IPFW completes Letter of Intent, prospectus, narrative of transaction, timeline, and additional documentation prepared for HLC as required for the Initial Interaction Review

January 12, 2017 - Letter of Intent, prospectus, narrative, timeline, and additional documentation emailed to HLC.

January 18, 2017 - Conference call to HLC with representatives from IPFW, Purdue, and IU to discuss the Change in Organization

February 2017 - Tiger Teams, Working Groups, and Advisory Groups formed to complete Ancillary Agreements specifying terms of the transaction. Executive and Legal Teams from IU and Purdue begin work on the Program Transfer Agreement informed by the Ancillary Agreements.

January 1, 2017 – June 30th 2018 – As allowed by the management agreement in effect since the last HLC Comprehensive Review, plans and processes are developed for all Indiana University Programs to transfer to Purdue University with the exception of the following departments: Dental Education, and Medical Imaging and Radiologic Sciences. The Department of Nursing (presently a Purdue program) is transferred to Indiana University.

June 8, 2017 - Program Transfer Agreements Completed

June 15-16, 2017 – Indiana University Board of Trustees and Purdue University Board of Trustees approve the Program Transfer Agreement and Ancillary Agreements

June 30 2017 - Change in Organization Application completed - to be submitted no later than July 7, 2017 per HLC email to Vicky Carwein dated June 23, 2017

September 5-6, 2017 – HLC Fact Finding Review, Staff Report, and Institutional Response.

February 2018 - HLC Board Decision

June 30, 2018 – Transaction Closing Date

July 1st, 2018 – Change in Organization Effective Date (subject to HLC Approval) - Purdue University Fort Wayne continues as an independently accredited institution managed by Purdue University. All health science programs are transferred to IU management and control.

The process of drafting the Program Transfer Agreement and Ancillary Agreements began in February 2017. Tiger Teams, working groups, and advisory groups were organized with broad representation from IPFW, IU, Purdue, and IUPUI. Final execution of the agreement is conditioned on meeting the terms of the timeline, adequate budget appropriations and funding approved by the Indiana General Assembly and included in the State of Indiana's 2017-2019 biennial budget, approval of the Program Transfer Agreement including approval of each ancillary agreement by the Boards of Trustees of Purdue University and Indiana University, and consents and approvals from the Higher Learning Commission and the U.S. Department of Education. The Ancillary Agreements were completed at the end of May 2017 and the Program Transfer Agreement was completed at the beginning of June 2017. The final draft of the Program Transfer Agreement and Ancillary Agreements was signed by the Indiana University Board of Trustees and the Purdue University Board of Trustees on June 16, 2017.

The Program Transfer Agreement (TD 1) was signed on June 16, 2017 is effective July 1, 2018 subject to review and final approval by the Higher Learning Commission. It authorizes and provides a framework for the organizational changes. The Ancillary Agreements provide the details of the realignment and the contractual obligations of the parties. The Appended Ancillary Agreements include:

1. Appendix A: Curriculum Offering and Academic Delivery Agreement
2. Appendix B: Teach-Out Agreement
3. Appendix C: Student, Faculty and Staff Services Agreement
4. Appendix D: Lease Agreement

Once the change in organization is approved by HLC, the Program Transfer Agreement is executed, the Plan for Realignment and current Management Agreement are void, and the relationship between the IUPUI additional location programs and the Fort Wayne campus are defined by Program Transfer Agreement and appended ancillary agreements. At that time, and conditioned on consents and approvals discussed, all degree programs offered on the Fort Wayne Campus with the exception of the health sciences degrees will be conferred as Purdue Degrees after a three year transition period. Health sciences degrees will be conferred as IU degrees by IUPUI. Students enrolled at IPFW prior to the effective date of the realignment will continue to matriculate pursuant to the program requirements in effect prior to the realignment and will be conferred degrees as defined in the Teach-Out Agreement (Transactional Document 1, Appendix B).

The intent of the realignment as specified by the Legislative Services Agency Report (Appendix B) and as defined by the Program Transfer Agreement is to continue the current IPFW campus as an independently accredited and Purdue-managed campus under essentially the same terms as before. The campus is proposed to be renamed Purdue University Fort Wayne to maintain congruency of the university identity and mission while distinguishing Purdue as the sole degree granting entity. The curriculum and faculty of these programs will remain the same. Subject to

HLC approval, all programs with the exception of the health sciences programs (as described in the following paragraph) that formerly conferred Indiana University degrees at IPFW will transition to conferring Purdue degrees effective July 1, 2018. Students who enrolled in IPFW prior to July 1, 2018 and who are currently enrolled in academic programs leading to one or more Indiana University Degrees, who are making adequate progress to degree completion, and who complete all degree requirements by July 1, 2021 will receive an Indiana University Degree. Students currently enrolled in an Indiana University Degree Program who complete all degree requirements after July 1, 2021, will be awarded a Purdue University Degree.

Management and control of the health sciences programs (Department of Dental Education, Department of Nursing, or Department of Medical Imaging and Radiologic Sciences) will be assumed by Indiana University as an additional location of Indiana University - Purdue University Indianapolis (IUPUI). The Program Transfer Agreement and appended Ancillary Agreements drafted by representative campus groups define the terms of the final agreement. The Curriculum Offering and Academic Delivery Agreement (TD 1, Appendix A) outlines the necessary conditions for a consortium agreement between IUPUI and PFW in which PFW agrees to provide general education courses and a limited menu of service courses outside of general education to students. Services provided to IUPUI Faculty, Staff, and Students by PFW are outlined in the Student, Faculty and Staff Services Agreement (TD 1, Appendix C). The Program Transfer Agreement supplants all prior management agreements effective July 1, 2018 subject to HLC approval. The July 1, 2018 effective date was established, in part, to allow time for HLC to review, provide feedback, and ultimately approve the new management agreement.

In summary, Indiana University Purdue University Fort Wayne (IPFW) is presently an independently accredited institution managed by Purdue University. It currently confers degrees from Indiana University and Purdue University. The LSA Report initiated a review of the current organization and made recommendations for the future governance of the academic programs offered on the Fort Wayne Campus. The respective Boards of Purdue University and Indiana University crafted a Program Transfer Agreement that consolidated all current IPFW academic programs, with the exception of health sciences programs, as a regionally autonomous and independently accredited campus managed by Purdue University with the intent of continuing the current mission of IPFW as an independently accredited regional comprehensive university in the Purdue University System. A new name, Purdue University Fort Wayne reflecting the consolidation of programs was approved by the Purdue Board of Trustees with input from Fort Wayne Campus constituents to be submitted to the Higher Learning Commission with the Change in Organization Application. Further the Program Transfer Agreement transfers the Health Sciences programs on campus including the nursing programs, the medical imaging and radiologic sciences programs, and the dental programs to Indiana University control as an additional location of IUPUI effective July 1, 2018.

Narrative Summary and Conclusions Overview

The narrative details the organizational changes through a summary of:

- the existing management agreement,
- the Program Transfer Agreement (TD 1) approved by the respective Boards of Trustees on June 16, 2017,
- a description of the future governance of Purdue University Fort Wayne and Indiana University Health Science Programs at Fort Wayne that is subject to HLC approval

The conclusion provides:

- an institutional statement on continuity of governance
- the benefits of the organizational change

Existing Management Agreement:

The Amended and Restated Management and Academic Mission Agreement (the “Agreement”) (Appendix A) extended, restated, and superseded the prior management agreement originally entered into effective July 1, 2008. Effective July 1, 2013, the “Agreement” continued to facilitate a unique higher education environment in which an independently accredited university (IPFW) offers programs of studies leading to degrees conferred by Indiana University or Purdue University. Under the terms of the agreement IPFW operates as a locally administered and independently accredited institution, led by a Chancellor who serves as the Chief Executive Officer of IPFW and reports to the Purdue President. The current agreement assigns Purdue the role as “... the responsible corporation with full power, authority and responsibility to manage and operate IPFW for the benefit of Indiana University and Purdue University”. Further, the present management agreement, as approved by The Higher Learning Commission, assigns “...specific academic, research and public service missions in the operation of IPFW as mutually agreed upon from time to time and approved by the respective Boards of Trustees”. This arrangement, as presently enacted, allows, upon approval by the respective Boards of Trustees of Indiana University and Purdue University, academic, research and public service missions to be transferred between institutions within the IPFW operational domain. The “Agreement” was extended through Amendment 1 (Appendix C) and Amendment 2 (Appendix D) to provide continuance of governance while IPFW, Indiana University and Purdue University explored how best to meet the LSA charge to reorganize IPFW to better meet the needs of the greater Fort Wayne Metropolitan Area and the State.

Program Transfer Agreement:

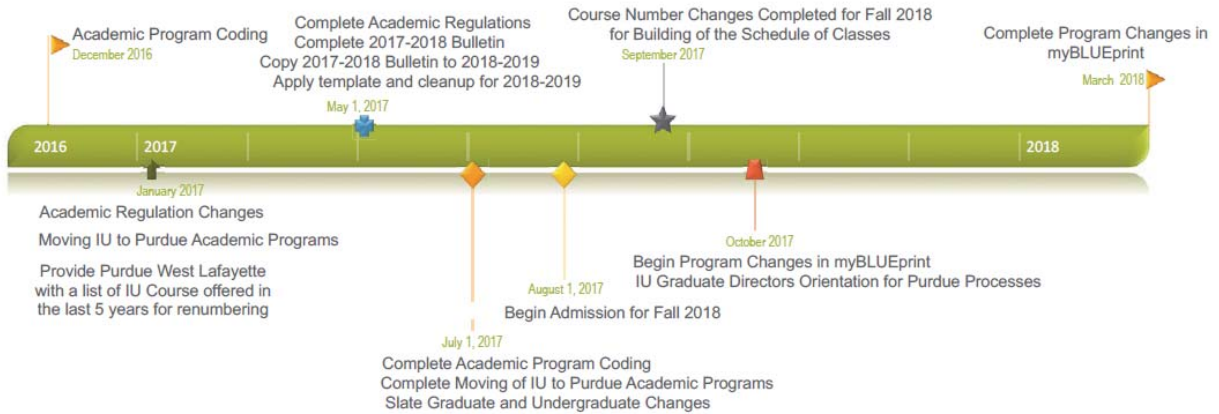
The Program Transfer Agreement meets the LSA charge. Upon approval by HLC, The Program Transfer Agreement specifies that Purdue University maintains its status as the “...responsible corporation with full power, authority and responsibility to manage and operate The Fort Wayne Campus” for all Purdue University programs. The intent is that IPFW (henceforth referred to as Purdue University Fort Wayne) remains an independently accredited institution managed and operated by Purdue University. The realignment agreement moves all current IU mission areas

(as allowed by the current management agreement and as approved by HLC) to Purdue with the exception of health sciences programs to include the Department of Nursing (presently a Purdue program), Department of Dental Education (presently an IU program), and Department of Medical Imaging and Radiologic Sciences (presently an IU program). These three academic departments that currently reside in IPFW's College of Health and Human Services are proposed to be managed as an additional location of IUPUI and as a separate legal entity from Purdue University Fort Wayne as specified in the Program Transfer Agreement (TD 1) subject to HLC approval.

The Program Transfer Agreement (TD 1), therefore, serves the role of consolidating all current academic, research and public service missions with the exception of the health sciences programs (Department of Nursing, Department of Dental Education, and Department of Medical Imaging and Radiologic Sciences) under Purdue management as allowed by the current management agreement. It then, assuming conditions specified are met, consolidates the health sciences programs under one entity that will be an additional location of IUPUI, as agreed upon by Purdue and IU Trustees subject to approval by HLC. The proposed agreement extends the governing structure that existed prior to the realignment for IPFW to Purdue University Fort Wayne (PFW). The Chancellor of PFW will serve as Chief Executive Officer of the Fort Wayne Campus and report to the President of Purdue University. Therefore, operational control of the realigned entity (PFW) does not change as the institution remains under the leadership of its Chancellor as Chief Executive Officer reporting to the Purdue University President. The new agreement establishes that the health sciences programs are removed from Purdue University Fort Wayne organizational control and Purdue University management and transferred to Indiana University management and control as an additional location of Indiana University Purdue University Indianapolis (IUPUI). While the Health Sciences programs will be wholly administered and controlled by the Indiana University System as a separate entity from both Purdue University and Purdue Fort Wayne, Purdue University Fort Wayne will provide a limited menu of student and faculty services defined by the student services agreement that is part of the Program Transfer Agreement (TD 1, Appendix C) submitted for review and approval to the HLC as part of the ancillary agreements. In addition, PFW will provide "...IU students enrolled at the Fort Wayne Campus those general education classes, service courses and programs required by such students in order to fulfill their IU degree requirements..." for a period of three years and automatically renewing for successive three year terms until either University provides at least a two year notification of intent to terminate the agreement at the end of the then-current term (TD 1, Appendix A). The transition timeline presented below describes the process enacted to facilitate continuity of academic program operations through the change in organization process.

IU/Purdue Academic Programs Transition Timeline

- DRAFT



1/5/2017

Continuity in Governance of IPFW as Purdue University Fort Wayne (PFW):

The position of Purdue and IPFW is that the changes **do not constitute** the closure of IPFW and subsequent creation of a new entity. Rather, the changes represent the transfer of programs from Indiana University to Purdue University as allowed by the current agreement and as accredited by HLC. The transfer of the Department of Nursing to Indiana University prior to the effective date of the Program Transfer Agreement is consistent with the provisions of the most recently amended management agreement. This aspect of the change is to be facilitated beginning July 1, 2017. Upon completion of the transfer of academic programs between Purdue University and Indiana University, the subsequent transfer of management authority for the health sciences from Purdue University to Indiana University and the related consortium agreement framed within the “Curriculum Offering and Academic Delivery Agreement” (TD 1, Appendix A), if approved by the Higher Learning Commission is to take effect on July 1st, 2018. At that time, Purdue University Fort Wayne continues to operate as an independently accredited institution managed by Purdue just as IPFW was prior to the new agreement. Therefore, there is no change in control of the current institution at Fort Wayne. The subsequent transfer of the health sciences programs to Indiana University as an additional location of IUPUI represents the transfer of an academic unit from IPFW delivery and Purdue management, both of which are accredited by and in good standing with HLC, to IU to be managed as an additional location of IUPUI, both of which are accredited by and in good standing with HLC.

Mutual Benefits to Indiana, the Region and Metropolitan Fort Wayne Area, and PFW

The proposed changes allow the state of Indiana to more efficiently and effectively support regional needs based on the strengths of two nationally recognized Universities. Purdue University Fort Wayne will deliver academic programs aligned with the needs and interests of the Northeast Indiana Region drawing on the specific strengths and resources of the current Faculty and Staff of the Fort Wayne Campus and Purdue University. The continued local control of Purdue University Fort Wayne as a metropolitan campus provided by the terms of the agreement is vital. It engages the Northeast Indiana Region in a relationship with Purdue University Fort Wayne supporting a metropolitan focused mission aimed at serving the needs of the Fort Wayne metropolitan and surrounding areas. This mission applies Purdue University’s Land Grant Mission locally through a special purpose and comprehensive regional institution. The consolidation of health sciences programs into the clinical schools at IUPUI likewise serves a metropolitan mission in that it ensures the region benefits from the resources and commitment to excellence in coordinated health care that has earned the Indiana University Health System national acclaim.