



PURDUE UNIVERSITY BOARD OF TRUSTEES

FINANCE COMMITTEE

AUGUST 2, 2019

MINUTES

A meeting of the Finance Committee of the Board of Trustees convened on Friday, August 2, 2019, at 9:47 a.m. in Room 326 of Stewart Center on the campus of Purdue University in West Lafayette, Indiana.

Committee members present were: Don Thompson, chair; Vanessa Castagna; and Michael Klipsch. Sonny Beck was not in attendance. Other trustees present were: Michael Berghoff; Malcolm DeKryger; Noah Scott; and Thomas Spurgeon.

Officers and administrators in attendance were: Mitch Daniels, president; Jay Akridge, provost and executive vice president for academic affairs and diversity; Bill Sullivan, treasurer and chief financial officer; Jim Almond, senior vice president, assistant treasurer, and assistant secretary; Steve Schultz, general counsel; Janice Indrutz, corporate secretary and senior executive assistant to the Board; and Ron Elsenbaumer, chancellor of Purdue University Fort Wayne.

I. APPROVAL OF MINUTES

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to approve the minutes of its June 14, 2019, meeting.

II. APPROVAL OF CONTRACT IN EXCESS OF \$2,000,000 FOR MEDICAL THIRD-PARTY ADMINISTRATOR

Trustee Thompson reminded the Committee of the medical third-party administrator's role for the university: providing the health plan providers and facilities; negotiating discounts; and providing the technology system and customer service staff necessary to process medical claims. Mr. Chris Ruhl, senior vice president for strategic initiatives, then requested approval to extend the university's contract with Anthem for calendar years 2020 and 2021. He informed the Committee that a Request for Proposal (RFP) process was conducted earlier in the year, and he explained the many reasons why Anthem was the consensus recommendation. He said Anthem was more strongly aligned with the strategic goals being pursued with the university health plans.

Trustee Klipsch said the recommendation was logical. In response to a question from Trustee Castagna, Mr. Ruhl discussed the RFP process and affirmed that Anthem was indeed the best choice. Trustee Thompson stated he found it interesting that over 99% of the medical charges in 2018 were within Anthem's network and he asked Mr. Ruhl to discuss Anthem's ability to negotiate fee discounts. Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval of the contract. Supporting materials were filed with the minutes.

III. APPROVAL OF CONTRACT IN EXCESS OF \$2,000,000 FOR LEARNING MANAGEMENT SYSTEM

Trustee Thompson reminded the Committee and members of the Board about the purpose of the learning management software system, which he described as absolutely critical to the university's operations. He asked Mr. Ruhl and Provost Akridge to discuss the proposed contract, which, he understood, had been a big undertaking.

Provost Akridge informed the Committee that the learning management system was the backbone of the university's educational programs and literally affected every student and faculty member. He explained that the Purdue system currently had three learning management system contracts with two different vendors, and, because one system was being phased out, the opportunity had presented itself to unify the Purdue system with one learning management system. Provost Akridge said the contract was the result of a year-long RFP process which involved a comprehensive and rigorous system-wide review, and he introduced three administrators who lead the review. Provost Akridge then requested approval of a contract with the chosen vendor, Desire2Learn, for its Brightspace learning management system, which, he said, would result in a cost savings of \$2,300,000. Mr. Ruhl affirmed that the treasurer's office had reviewed the contract to ensure the best system had been chosen and said it offered a good implementation plan given that the system was highly visible.

Trustee Thompson asked the review team leaders to discuss the differences between the systems. Dr. Jenna Rickus, associate vice provost for teaching and learning, pointed out that the university was facing significant change regardless, which, she said, had been the reason for the extensive review. She shared that the faculty had identified many opportunities for strategic improvement of the learning management system and said its success would depend on how it was implemented. At Provost Akridge's request, Dr. Rickus discussed the RFP process, which, she explained, included asking prospective vendors to demonstrate how their product would perform in actual Purdue-specific scenarios. In response to a question from Trustee Castagna about the implementation timeline, Dr. Rickus said the goal was to convert to the new learning management system by Fall 2020. Provost Akridge pointed out that the transition process was one of the criteria set forth for the vendors. Trustee Thompson asked if the review team was diverse with regard to age because technology was approached differently by the different generations of users. Professor Cheryl Cooky, chair of the University Senate, added that there would be much faculty and student support throughout the implementation process. Dr. Frank Dooley, senior vice provost for teaching and learning, said the new system was strategic and would automate manual processes.

Trustee Thompson observed that, in all the years of his service on the Finance Committee, this had been one of the Committee's most comprehensive discussions, which, he said, was warranted because the learning management system affected so many university processes. He added that he was reassured by the due diligence. Trustee Scott remarked that change of this magnitude was never easy. He expressed confidence that the review team had arrived at the best case scenario and was glad to know that fundamental issues would be addressed sooner than later. Dr. Betty Vandenbosch, chancellor of Purdue University Global, offered Purdue Global's assistance with the implementation.

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval of the contract with Desire2Learn. Supporting materials were filed with the minutes.

IV. ADJOURNMENT

By consent, the meeting adjourned at 10:12 a.m.