

AGENDA

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

January 7, 1999

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. Approval of Minutes of November 5, 1998, Meeting
- B. Establishment of Next Meeting Date, Time, Location
- C. Report of the Long-Range Planning Committee
- D. Approval of New Degree Programs
- E. President's Report

SECTION II - FINANCIAL MATTERS

- A. Presentation of Schematic Plans for the Wellness, Fitness, Recreational Facility
- B. Approval of Authorizing Resolution for the Wellness, Fitness, Recreational Facility
- C. Report of the Construction Committee
- D. Approval of Change Orders for the Liberal Arts Center Project, the Student Residential Complex Project, and the Science Center Renovation Project
- E. Report of the Finance Committee
- F. Approval of Recommended Changes to the Budget Approval Process
- G. Approval of Recommendation for 1999-2000 Housing Rates
- H. Approval of Deferred Compensation Plan
- I. Report on Current Construction Projects
- J. Approval of Budget Appropriations, Adjustments, and Transfers
- K. Approval of Resident Meal Plan Fee

SUPPLEMENTAL INFORMATION
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

January 7, 1999

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF NOVEMBER 5, 1998, MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**
- D. APPROVAL OF NEW DEGREE PROGRAMS**

Proposal for the Bachelor of Science Degree in Radiologic and Imaging Sciences

The School of Nursing and Health Professions proposes to offer a Bachelor of Science degree in Radiologic and Imaging Sciences, Exhibit I-A. The implementation date is the fall semester, 1999.

The program builds on the existing Associate of Science degree with a major in radiologic technology to provide students and registered radiographers an opportunity to earn a baccalaureate degree and to meet requirements for professional registry.

The program has been developed by the faculty in the Radiologic Technology Department, recommended by the Dean of the School of Nursing and Health Professions, and has the approval of the Academic Planning Council, the Curriculum Committee, the Faculty Senate, and the Vice President for Academic Affairs.

Proposal for the Post-Baccalaureate Certificate in Computer Information Systems

The School of Business proposes to offer a Post-Baccalaureate certificate in Computer Information Systems, Exhibit I-B. The implementation date is the fall semester, 1999.

This certificate program will provide college graduates an opportunity to achieve a working competency in computer information systems. It will enable graduates to gain a conceptual knowledge in information systems and the occupational skills needed to become a programmer, systems analyst, or an information systems manager. Successful achievement in the program prepares a student to sit for the Certified Professional Examination sponsored by the Institute for the Certification of Computer Professionals.

This program has been developed by the faculty in the Information Systems and Business Education Department, recommended by the Dean of the School of Business, and has the approval of the Academic Planning Council, the Curriculum Committee, the Faculty Senate, and the Vice President for Academic Affairs.

Approval of the new degree programs, Exhibits I-A and I-B is recommended.

- E. PRESIDENT'S REPORT**

SECTION II - FINANCIAL MATTERS

A. PRESENTATION OF SCHEMATIC PLANS FOR THE WELLNESS, FITNESS, RECREATIONAL FACILITY

Representatives of the Merci-Kinkel Collaborative, architects for the Wellness, Fitness, Recreational Facility, will present schematic plans for the facility.

Approval of the schematic plans is recommended.

B. APPROVAL OF AUTHORIZING RESOLUTION FOR THE WELLNESS, FITNESS, RECREATIONAL FACILITY

Approval of the following resolution is recommended.

WHEREAS, the Board of Trustees wishes to proceed with the construction of the Wellness, Fitness, Recreational Facility; and

WHEREAS, the Board of Trustees approved the schematic plans and cost estimate presented by the architects; and

WHEREAS, other approvals may be required between regular meetings of the Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED THAT the Chair authorize the Construction Committee to approve the design plan, review construction bids, and award contracts or reject any or all construction bids for the project, and report on the progress of the project to the Board of Trustees;

FURTHER RESOLVED that the Chair authorize the Finance Committee to approve a financing plan for the project; and

FURTHER RESOLVED that the Chair authorize President Hoops to request the Indiana Commission for Higher Education, the Indiana State Budget Committee, and the Governor of the State of Indiana to approve the Wellness, Fitness, Recreational Facility.

C. REPORT OF THE CONSTRUCTION COMMITTEE

D. APPROVAL OF CHANGE ORDERS FOR THE LIBERAL ARTS CENTER PROJECT, THE STUDENT RESIDENTIAL COMPLEX PROJECT, AND THE SCIENCE CENTER RENOVATION PROJECT

Approval of the proposed change orders in Exhibits II-A, II-B, and II-C is recommended.

E. REPORT OF THE FINANCE COMMITTEE

The Finance Committee will report on recommended changes to the budget approval process and recommended housing rates for 1999-2000.

F. APPROVAL OF RECOMMENDED CHANGES TO THE BUDGET APPROVAL PROCESS

The Finance Committee, at its meeting on November 5, 1998, approved a recommendation to change the process by which the Board of Trustees approves additional appropriations and transfers during the budget year.

It has been the practice of the Board of Trustees to approve University operating budgets including certain additional appropriations and transfers of funds during the budget year. Due to the sustained growth and

expansion of the University, the number and frequency of additional appropriations and transfers of funds have grown dramatically. It is therefore recommended that the Board revise its current practice and redefine the additional appropriations and transfers of funds which will require Board approval.

The recommended changes will streamline the University operating systems while maintaining appropriate Board of Trustees control over the budget authorization process. In addition, it is recommended that after approval of the operating budget, the Finance Committee be assigned responsibility to review and approve any required additional appropriations and transfers of funds during the budget year and to report the results of its action to the full Board at its next regularly scheduled meeting. A description of the proposed revised budget approval process and a comparison of the current and proposed revised processes are provided in Exhibit II-D.

Approval of the revised process for approval of operating budgets and additional appropriations and transfers of funds in Exhibit II-D is recommended.

G. APPROVAL OF RECOMMENDATION FOR 1999-2000 HOUSING RATES

The following 1999-2000 housing rates will be proposed to the Finance Committee at its January 7 meeting. Approval of the housing rates as recommended by the committee is recommended.

| | <u>CURRENT FEE</u> | <u>PROPOSED FEE*</u> | <u>EFFECTIVE DATE</u> |
|---------------------------------------|------------------------|--------------------------|---------------------------|
| <u>FALL OR SPRING SEMESTER</u> | | | |
| <u>APARTMENT TYPE</u> | | | |
| Two Bedroom, Four Student | \$1,070 | \$1,118 | 7-01-99 |
| One Bedroom, Two Student | 1,330 | 1,389 | 7-01-99 |
| One Bedroom, One Student | 2,650 | 2,768 | 7-01-99 |
| Two Bedroom, Two Student | N/A | 1,975 | 7-01-99 |
| <u>SUMMER SESSIONS</u> | | | |
| <u>APARTMENT TYPE</u> | | | |
| Two Bedroom, Four Student | \$ 615 | \$ 643 | 5-01-99 |
| One Bedroom, Two Student | 795 | 832 | 5-01-99 |
| One Bedroom, One Student | 1,575 | 1,657 | 5-01-99 |
| Two Bedroom, Two Student | N/A | 1,144 | 5-01-99 |
| <u>SINGLE SUMMER SESSION</u> | | | |
| <u>APARTMENT TYPE</u> | | | |
| Two Bedroom, Four Student | \$ 205 | \$ 214 | 5-01-99 |
| One Bedroom, Two Student | 265 | 277 | 5-01-99 |
| One Bedroom, One Student | 525 | 552 | 5-01-99 |
| Two Bedroom, Two Student | N/A | 381 | 5-01-99 |

* A charge per semester for television cable service is recommended for addition to the basic room rental fee. In previous years, students were required to contract for cable services directly with the cable provider. Inclusion of cable services in the basic room rental will reduce the costs of these services to students and streamline their billing and payment process. The recommended charges per session are:

| | |
|---------------------------|-------|
| Fall and Spring Semesters | \$ 25 |
| Summer Session | \$ 20 |
| Single Summer Session | \$ 7 |

H. APPROVAL OF DEFERRED COMPENSATION PLAN

Section 457(f) of the Internal Revenue Code of 1986 requires that all eligible non-ERISA qualified deferred compensation plans be established and maintained by an eligible state, local, governmental, or tax-exempt organization. In accordance with this section of the Internal Revenue Code, the University of Southern Indiana plan is presented in Exhibit II-E.

Approval of the Deferred Compensation Plan is recommended.

I. REPORT ON CURRENT CONSTRUCTION PROJECTS

A report will be presented on the status of current construction projects.

J. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

1. Additional Appropriation of Income

From: Unappropriated Current Operating Funds

| | | | |
|-----|---------|--|-----------------|
| To: | 1-10170 | USI Theatre Supplies & Expense | 8 |
| To: | 1-10410 | Nursing Department Personal Services | 5,408 |
| To: | 1-10700 | School of Business Supplies & Expense | 1,331 |
| To: | 1-10820 | Social Work Supplies & Expense | 82 |
| To: | 1-14200 | Athletic Administration Personal Services | 500 |
| To: | 1-10200 | School of Liberal Arts Personal Services Supplies & Expense | 7,200 900 |
| To: | 1-10400 | School of Nursing & Health Professions Personal Services Supplies & Expense | 24,200 2,580 |
| To: | 1-10700 | School of Business Personal Services Supplies & Expense | 10,800 1,821 |
| To: | 1-10800 | Bower-Suhrheinrich School of Education & Human Services Personal Services Supplies & Expense | 14,000 1,539 |
| To: | 1-10200 | School of Liberal Arts Personal Services | 5,850 |
| To: | 1-10400 | School of Nursing & Health Professions Personal Services | 14,850 |

| | | | |
|-------|---------------------------------|--|-------------------------|
| To: | 1-10700 | School of Business Personal Services | 12,825 |
| To: | 1-10170 | USI Theatre Supplies & Expense Capital Outlay | 3,076 500 |
| To: | 1-10170 | USI Theatre Supplies & Expense | 600 |
| To: | 1-10410 | Nursing Personal Services | 50 |
| To: | 1-10450 | Dental Clinic Supplies & Expense Repairs & Maintenance Capital Outlay | 8,347 2,051 2,598 |
| To: | 1-10460 | Dental Hygiene Personal Services Supplies & Expense | 14,160 2,082 |
| To: | 1-14100 | Physical Activities Center Recreation & Building Fund Supplies & Expense | 200 |
| From: | Unappropriated Designated Funds | | |
| To: | 2-20300 | Student Government Association Supplies and Expense | 1,602 |
| To: | 2-23100 | Faculty Development Travel Supplies & Expense | 15,131 |
| To: | 2-23300 | School of Business Revolving Fund Supplies and Expense | 942 |

2. Additional Appropriation of Reserve Funds

| | | | |
|-----|---------|---|-------|
| To: | 1-14005 | Career Services & Placement Supplies & Expense | 8,432 |
|-----|---------|---|-------|

3. Transfer and Appropriation of Funds

| | | | |
|-------|---------|--|-------|
| From: | 0-85064 | Shakespeare Festival | |
| To: | 1-10230 | English Supplies & Expense | 438 |
| From: | 2-20050 | Student Services Operations | |
| To: | 2-20140 | Student Leadership Academy Supplies and Expense | 1,500 |
| From: | 2-20050 | Student Services Operations | |
| To: | 2-20300 | Student Government Association Supplies and Expense | 1,788 |

Approval of the Budget Appropriations, Adjustments, and Transfers is recommended.

Abstract
Bachelor of Science Degree in Radiologic and Imaging Sciences
University of Southern Indiana

The proposed program will build on the existing Associate of Science degree with a major in radiologic technology and will provide registered radiographers and those employed in entry-level positions in the field an opportunity to earn a baccalaureate degree and to meet the requirements for a specialty imaging sciences professional registry examination.

Objectives:

This degree program will provide a course of study leading to a Bachelor of Science (B.S.) degree with a major in radiologic and imaging sciences; the curriculum will include advanced radiologic sciences courses that provide multi-credentialing/multi-skilling in medical sonography, magnetic resonance imaging, and computed tomography. It is designed for those employed in entry-level positions and for practicing radiographers interested in broadening their practice into specialized areas. Similar to the University of Southern Indiana Bachelor of Science in Nursing degree program and the Bachelor of Science degree program with a major in health services, this proposed program will provide persons employed in the field an opportunity to complete a bachelor's degree. It will provide courses via distance education, and the fourth-year completion courses will require a minimum of on-campus classes. This format will assist radiographers who have geographic and employment constraints.

Clientele to be Served:

This program will address the needs of associate-degree graduates in radiologic technology and those who are certificate-prepared registered radiographers and who have limited opportunities to achieve a baccalaureate degree in their field. Although designed to be a full-time program, the Bachelor of Science degree program with a major in radiologic and imaging sciences will meet the needs of students who have employment and family commitments by offering evening, weekend, and distance learning activities. Since its founding the School of Nursing and Health Professions has been committed to helping associate degree allied health graduates continue their education and earn baccalaureate degrees. This degree program will provide registered radiographers with an opportunity to earn their baccalaureate degree while remaining employed on a full-time basis.

Curriculum:

A total of 124 semester hours is required to complete the B.S. degree with a major in radiologic and imaging sciences. The program builds upon the current degree requirements for the Associate of Science degree with a major in radiologic technology. Students will have a choice between two tracks: 1) General Sonography Specialty and 2) Magnetic Resonance Imaging and Computed Tomography Specialty.

Employment Possibilities:

Graduates can expect to gain employment in hospitals, ambulatory care facilities, outpatient surgical centers, public health medical facilities, and mobile radiographic services throughout Indiana.

Abstract
Post-Baccalaureate Certificate in Computer Information Systems
University of Southern Indiana

Objectives:

The goal of this program is to provide the opportunity for college graduates in disciplines other than computer information systems to prepare for employment in this field. Those who complete this 30-credit hour program will be prepared for employment as programmers, systems analysts, and managers.

Clientele to be Served:

This program is designed for persons with baccalaureate degrees in other fields to gain a working competency in computer information systems. The curriculum will enable these students to acquire a conceptual knowledge of information systems and the occupational skills needed to become a programmer, systems analyst, or an information systems manager. Successful achievement of the program prepares a student to sit for the Certified Professional Examination sponsored by the Institute for the Certification of Computer Professionals.

The program also is suited for professionals who find they must acquire the ability to operate and manage various aspects of their organizations's information system in order to do their job effectively.

Curriculum:

This post-baccalaureate certificate program requires the completion of 30 hours. The curriculum meets the requirements of the Institute for the Certification of Computer Professionals. Students who complete the program will be prepared to sit for the Certified Professional Examination.

Employment Possibilities:

The outlook for employment is excellent. According to the "Occupational employment projections to 2006," *Monthly Labor Review*, November 1997, pp. 53-58, the three fastest growing occupations from 1996-2006 include database administrators, computer support specialists, computer scientists, systems analysts, and computer engineers. According to J. Michael Farr in the *Wall Street Journal Interactive edition*, on November 19, 1998, employment for systems analysts and programmers are rated among the 50 best jobs for the 21st century.

**UNIVERSITY OF SOUTHERN INDIANA
LIBERAL ARTS CENTER CONSTRUCTION
SUMMARY OF CHANGE ORDERS**

JANUARY 7, 1999

| CHANGE ESTIMATE NUMBER | DESCRIPTION | CONTRACTOR(S) | PROPOSAL AMOUNT |
|-------------------------------|--|--------------------------|------------------------|
| 17 | Furnish and install two chilled water shut-off valves to allow isolation of Chiller Nos. 3 and 4 and relocate flow switch. | Arc Mechanical Co., Inc. | \$6,099.00 |
| 18 | Provide and install stainless steel doors and door frames on each elevator in lieu of painted steel. | Abell Elevator Co., Inc. | \$5,616.00 |
| | TOTAL AMOUNT OF CHANGE: | | \$11,715.00 |

**UNIVERSITY OF SOUTHERN INDIANA
STUDENT RESIDENTIAL COMPLEX PROJECT
SUMMARY OF CHANGE ORDERS**

JANUARY 7, 1999

| CHANGE ESTIMATE NUMBER | DESCRIPTION | CONTRACTOR(S) | PROPOSAL AMOUNT |
|-------------------------------|--|---|------------------------|
| GC-2 | Install basement footing drains in each building. | Lichtenberger Construction Company | \$7,587.00 |
| GC-3 | Install storm drainage piping on the building site. | Lichtenberger Construction Company | \$12,250.00 |
| GC-4 | Install additional foundation wall insulation as required by the State Building Commission. | Lichtenberger Construction Company | \$1,120.00 |
| GC-5 | Increase the size of the elevator in each building to 3500 lb. capacity. | Lichtenberger Construction Company | \$3,000.00 |
| GC-6 | Delete the installation of roof snow guards. | Lichtenberger Construction Company | (\$7,656.00) |
| GC-7 | Change mail box key locks to combination locks | Lichtenberger Construction Company | \$2,327.00 |
| OSU-SS-1 | Delete compaction tests between manholes of sanitary sewer extension. | Blankenberger Brothers Construction Co. | (\$200.00) |
| OSU-T-1 | Install conduits and manholes from the Technology Center mechanical room to University Boulevard to be used for the electric and communications services to the Art Studio Building. | Mel-Kay Electric Company | \$17,301.00 |
| | TOTAL AMOUNT OF CHANGE: | | \$35,729.00 |

**UNIVERSITY OF SOUTHERN INDIANA
SCIENCE CENTER RENOVATION PROJECT
SUMMARY OF CHANGE ORDERS**

JANUARY 7, 1999

| CHANGE ESTIMATE NUMBER | DESCRIPTION | CONTRACTOR(S) | PROPOSAL AMOUNT |
|-------------------------------|--|-----------------------------------|------------------------|
| 3 | Install epoxy resin laboratory tops instead of plastic laminate tops on laboratory cabinets furnished by the general contractor. | Lichtenberger Construction Co. | \$11,337.00 |
| 4 | Install fire dampers in the vertical high pressure ducts at each floor penetration. | Lichtenberger Construction Co. | \$20,360.00 |
| 5 | Modify floor finishes in the laboratories to install vinyl composition tile in lieu of epoxy paint in thirty-one rooms and acid etch and epoxy paing nine rooms. | Lichtenberger Construction Co. | \$24,793.00 |
| 6 | Cut holes in the concrete floor in two locations in the mechanical chase for ductwork installation. | Lichtenberger Construction Co. | \$1,993.00 |
| 7 | Relocate two roof drains to the exterior of the mechanical room addition. | Lichtenberger Construction Co. | \$9,002.00 |
| | TOTAL AMOUNT OF CHANGE: | | \$67,485.00 |

**REVISED PROCESS FOR APPROVAL OF OPERATING BUDGETS AND
ADDITIONAL APPROPRIATIONS AND TRANSFERS OF FUNDS**

The Board of Trustees reviews and approves all operating budgets for the University of Southern Indiana. After approval of the original budgets for the operating year, the Board assigns responsibility to the Finance Committee for review and approval of any additional appropriations and transfers of funds. The Finance Committee will report the results of any budget actions taken at the next regularly scheduled meeting of the Board of Trustees. The additional appropriations and transfers of funds which require Finance Committee review and approval are defined below.

ADDITIONAL APPROPRIATIONS REQUIRING FINANCE COMMITTEE APPROVAL -

Appropriations which increase the original operating budget for a fund will require Finance Committee review and approval. Sources of these appropriation increases include additional income, existing fund reserves, and transfers from other funds.

TRANSFERS OF FUNDS REQUIRING FINANCE COMMITTEE APPROVAL - All transfers of funds not included in the original operating budget will require Finance Committee review and approval.

UNIVERSITY OF SOUTHERN INDIANA
DEFERRED COMPENSATION PLAN
EFFECTIVE AS OF
June 30, 1999

Preamble

This Deferred Compensation Plan (hereinafter referred to as the "Plan" and known as the University of Southern Indiana Deferred Compensation Plan) is adopted effective June 30, 1999 by the University of Southern Indiana (hereinafter "University").

WHEREAS, the purpose of the Plan is to enable certain Highly-Compensated Employees who become eligible to be covered under the Plan to enhance their retirement security and strengthen their commitment to the University by permitting them to participate in the Plan and receive benefits at Separation from Service; and

WHEREAS, the Plan shall be maintained for the benefit of certain covered Highly-Compensated Employees, and is intended to be an ineligible Deferred Compensation Plan pursuant to Section 457(f) of the Internal Revenue Code of 1986, as now in effect or as hereafter amended, and regulations thereunder, and an unfunded plan for a certain group of Highly-Compensated Employees exempt from the provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended;

NOW, THEREFORE, the University of Southern Indiana does hereby adopt, effective as of June 30, 1999, the Plan as set forth hereinafter.

Section 1. Definitions

The following terms, when used herein, shall have the following meanings unless a different meaning is clearly required by the context.

1.01. Account means the account maintained for a Participant to record University contributions, and any adjustments.

1.02. Administrator means the University of Southern Indiana, the Chairperson of the Board of Trustees of the University of Southern Indiana, or such person(s) appointed by the Chairperson to administer the terms of the Plan as described in Section 6.

1.03. Beneficiary means the person(s) or estate designated by a Participant to receive benefits under this Plan after the death of a Participant.

- 1.04. Board means the Board of Trustees of the University of Southern Indiana.
- 1.05. Code means the Internal Revenue Code of 1986, as amended and including all regulations promulgated pursuant thereto.
- 1.06. Deferred Compensation Enrollment Agreement means a document designated by the University, the Board, the Chairperson of the Board of Trustees of the University of Southern Indiana or the Administrator of the Plan, required to be signed by an Employee or Highly-Compensated Employee to participate in the Plan.
- 1.07. Deferred Compensation Plan or "Ineligible Plan" means a plan as defined in Section 457(f) of the Code and includes this Plan among others.
- 1.08. Effective Date means June 30, 1999.
- 1.09. Employee or Highly-Compensated Employee means any Highly-Compensated Employee, as that term is defined in Section 414(q) of the Code, employed by the University as a common law employee on a regular, permanent employment basis. The term "permanent employment" excludes casual, emergency or intermittent employment, but includes part-time, as well as full-time Highly-Compensated Employees whom the University deems permanent.
- 1.10. Enrollment Anniversary Date means the date commencing twelve (12) months after an Employee's Enrollment Date, and the same date thereafter in subsequent calendar years.
- 1.11. Enrollment Date means the first day of the month coincident with or next following the date an Employee (i) is designated by the University to be eligible to participate in the Plan and (ii) signs the Deferred Compensation Enrollment Agreement.
- 1.12. Participant means a Highly-Compensated Employee or former Employee who is or who has been enrolled in the Plan and who retains the right to benefits under the Plan.
- 1.13. Plan means the University of Southern Indiana Deferred Compensation Plan either in its present form or as amended from time to time
- 1.14. Separation from Service means the severance of a Participant's employment, whether voluntarily or involuntarily, by retirement, death, disability or other reason with the University.
- 1.15. University means the University of Southern Indiana.
- 1.16. University Contributions means contributions made by the University on behalf of a Participant pursuant to a properly executed Deferred Compensation Enrollment Agreement entered into between the Participant and the University to provide retirement benefits, as it may be amended from time to time, and including any earnings attributable to University Contributions.

Section 2. Participation and Enrollment

2.01. Eligibility for Participation. The Board of Trustees may, at any time and from time to time, designate those Highly-Compensated Employees of the University who shall be eligible to become Participants under the Plan. The Board or its duly authorized representative(s) shall so notify each Highly-Compensated Employee so designated of their eligibility to participate in the Plan. Each such designated Employee shall become a Participant upon signing a Deferred Compensation Enrollment Agreement and shall remain a Participant in the Plan until the earlier of (a) the date that all benefit obligations with respect to such Participant have been paid, or (b) the date as of which such Participant designation is revoked by action of the Board of Trustees.

2.02. Enrollment. Eligible Highly-Compensated Employees, as described and selected in Section 2.01, shall be enrolled in the Plan, and such enrollment shall be effective on the first day of the month coincident with or next following the date such Employee is so designated a Participant in the Plan and signs a Deferred Compensation Enrollment Agreement pursuant to Section 2.01, which date shall be the Highly-Compensated Employee's Enrollment Date.

Section 3. University Contributions

3.01. Amount of Contributions. Pursuant to the Deferred Compensation Enrollment Agreement entered into between the Participant and University, the University shall make contributions on behalf of each such eligible Participant in an amount and at a date determined pursuant to the Deferred Compensation Enrollment Agreement or as otherwise determined or modified by the University. Pursuant to Internal Revenue Code Section 457(f), unless otherwise modified, such University Contributions shall not be included as gross income on a Participant's federal income tax withholding statement (W-2 Form) for the calendar year.

Section 4. Time and Form of Benefit Payment

4.01. Eligibility for Payment. Subject to the provisions of Section 4.02, payment from the Plan in the form of a lump sum distribution of the entire value of the Participant's benefit shall be made only upon Separation from Service.

4.02. Forfeiture of Benefits. Notwithstanding anything herein contained to the contrary, all rights to payment under this Plan by the Participant, his or her designated Beneficiary, executors or administrators, or any other person shall not vest in the Participant or Beneficiary until actual distribution of benefits, and shall be forfeited if any or all of the following events occur:

- (i) the Participant shall engage in any activity or conduct which, in the opinion of the Board, is inimical to the best interests of the University;
- (ii) the Participant shall fail to engage in the future performance of substantial services for the University;

- (iii) in the University's sole judgment, the Participant violates or is in breach of any provision of the Deferred Compensation Enrollment Agreement.

4.03. Benefit Commencement Date. Benefit payments to a Participant or designated Beneficiary shall commence within sixty (60) days after the date of the Participant's Separation from Service, but in no event later than the date required pursuant to Section 401(a)(9) of the Code.

Section 5. Beneficiaries

5.01. Designation. A Participant shall have the right to designate a Beneficiary, and amend or revoke such designation at any time, in writing. Such designation, amendment or revocation shall be effective upon receipt by the Administrator. Upon failure of the Participant to designate a Beneficiary, the Beneficiary shall be deemed to be the Participant's spouse; or, if no spouse, such Participant's estate.

Section 6. Plan Administration

6.01. Plan Administrator. The Plan shall be administered by the Chairperson of the Board of Trustees of the University of Southern Indiana or such person or persons selected by the Chairperson. Such person or persons shall be known as the "Administrator" and shall have responsibility for the operation and administration of the Plan and shall direct payment of Plan benefits. The Administrator shall have the power and authority to adopt, interpret, alter, amend or revoke rules and regulations necessary to administer the Plan and to delegate ministerial duties and employ such outside professionals as may be required for prudent administration of the Plan. The Administrator shall also have authority to enter agreements on behalf of the University necessary to implement this Plan. The Administrator, if otherwise eligible, may participate in the Plan, but shall not be entitled to make decisions solely with respect to their own participation.

6.02. Ownership of Assets. All amounts deferred under this Plan, all property and rights purchased with such amounts and all income attributable to such amounts, property or rights shall remain (until made available to the Participant or Beneficiary) solely the property and rights of the University (without being restricted to the provision of benefits under the Plan), shall be subject to the claims of the University's general creditors, and shall not be a trust fund or collateral security for the University's obligation to pay the Participant the amount of the Account.

6.03. Accounts and Expenses. The Administrator shall create and maintain individual accounts as records for disclosing the interest in the Plan of each Participant. The maintenance of individual accounts is only for accounting purposes, and a segregation of the assets of the Plan to each account shall not be required. Accounts shall be valued at such time or times as determined by the Administrator in its sole discretion, and each participant shall receive written

notice of his or her accounting following such valuation. The method of accounting shall be as determined by the Administrator and shall reflect the University Contributions, any earnings attributable to such University Contributions, and shall be reduced by administrative, investment and other fees in such amounts and at such times as the Administrator deems necessary for the maintenance of this Plan.

6.04. Investments. The Administrator shall establish investments permitted under the Plan. Participants may, subject to procedures established and applied in a uniform nondiscriminatory manner, direct the Administrator in writing to invest any portion of their account in specific assets or other investments permitted under the Plan.

Section 7. Amendment and Termination

7.01. Amendment. The University shall have the right to amend this Plan at any time, and from time to time, in whole or in part. The University shall notify each Participant in writing of any Plan amendment.

7.02. Termination. Although the University has established this Plan with a bona fide intention and expectation to maintain the Plan indefinitely, the University may terminate or discount the Plan in whole or in part at any time without any liability for such termination or discontinuance. Upon Plan termination, all contributions shall cease. The University shall retain all University Contributions until each Participant's Separation from Service and until Participants or Beneficiaries are eligible for benefit payments pursuant to the terms of the Plan. Any University Contributions remaining in the Plan after termination of the Plan and after payment of all benefits due to Participants shall revert back to the University.

Section 8. Miscellaneous

8.01. Limitation of Rights: Employment Relationship. Neither the establishment of this Plan nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving a Participant or other person any legal or equitable right against the University. In no event shall the terms of employment of any Employee be modified or in any way be affected by the Plan. Employee's employment with the University shall be employment-at-will.

8.02. Limitation on Assignment. Benefits under this Plan may not be assigned, sold, transferred, or encumbered, and any attempt to do so shall be void. A Participant's or Beneficiary's interest in benefits under the Plan shall not be subject to debts or liabilities of any kind and shall not be subject to attachment, garnishment or other legal process.

8.03. Representations. The University does not represent or guarantee that any particular federal or state income payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to

determine the tax consequences of his or her participation. Furthermore, the University does not represent or guarantee successful investment of University Contributions, and shall not be required to repay any loss which may result from such investment or lack of investment.

8.04. Severability. If a court of competent jurisdiction holds any provisions of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

8.05. Ambiguity. In the event that ambiguity exists or is deemed to exist in any provision of this Plan, said ambiguity is not to be construed by reference to any doctrine calling for such ambiguity to be construed against the drafter.

8.06. Applicable Law. This Plan shall be construed in accordance with applicable federal law and, to the extent otherwise applicable, the laws of the State of Indiana.

The University of Southern Indiana Deferred Compensation Plan is hereby adopted to be effective as of June 30, 1999.

IN WITNESS WHEREOF, the University has caused this Plan to be executed by its duly authorized representative this _____ day of _____, 1999.

UNIVERSITY OF SOUTHERN INDIANA

By _____