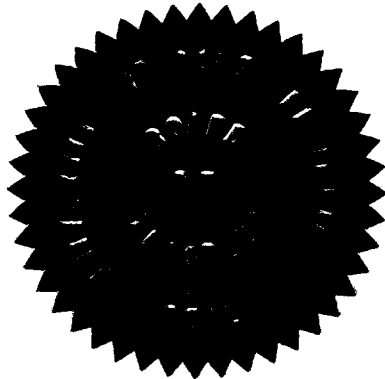


MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

JANUARY 7, 1999



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

January 7, 1999

The University of Southern Indiana Board of Trustees met on Thursday, January 7, 1999, in the Embassy Suites Hotel in Indianapolis. Present were Trustees Louise Bruce, Tina Kern, Thomas McKenna, Brian Pauley, Harolyn Torain, and James Will Sr. Also attending were President H. Ray Hoops; Vice Presidents John Byrd, Robert Reid, Richard Schmidt, and Sherrienne Standley; Faculty Senate Chair Connie Cooper; and SGA President Patrick West.

There being a quorum present, the meeting was called to order at 10:45 a.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF NOVEMBER 5, 1998, MEETING

On a motion by Mr. Will, seconded by Mrs. Kern, the minutes of the November 5, 1998, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Monday, March 1, 1999, on the University of Southern Indiana campus.

C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

Robert Reid reported the committee reviewed the new Radiologic and Imaging Sciences baccalaureate degree program and the new Certificates in Computer Information Systems. The committee voted to recommend that the Board approve the Radiologic and Imaging Sciences baccalaureate degree program and the Certificates in Computer Information Systems as revised. He noted Dean Phil Fisher of the School of Business gave an overview of the school, its accomplishments, enrollment trends, faculty, and future program plans.

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 with a major 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 Certificates in Computer Information Systems

The School of Business proposes to offer post-baccalaureate certificates in Computer Information Systems, Exhibit I-B. The implementation date is the fall semester, 1999.

These certificate programs will provide college graduates an opportunity to achieve a working competency in computer information systems. They 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.

These programs have 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.

On a motion by Mrs. Kern, seconded by Mr. Will, the new degree and certificate programs, Exhibits I-A and I-B were approved.

E. PRESIDENT'S REPORT

Dr. Hoops thanked everyone for their participation at the legislative breakfast earlier in the day. He noted the level of commitment of the Board of Trustees positively impresses the legislators. Overall, the response in the initial preparatory phase in the legislature this year is very positive.

The University is looking forward to making its case before the House Ways and Means Committee on January 27 which is one of the major stages in the budget process. It looks to be a long, and hopefully productive session.

The first half of the year was busy. John Byrd and his staff entertained high school counselors at the University Home in December. The counselors were given the opportunity to attend a basketball game or the USI holiday theatre production, as well as to get acquainted with the new Admission Director Eric Otto.

Several other groups were guests at the University Home during December including major donors, the Alumni Council, and friends from Solarbron Pointe. Dr. Hoops extended an invitation to the trustees to attend the gathering with the University's neighbors from Solarbron in the future. With the basketball season fully underway, there are also events planned for retired University employees, for the Varsity Club, and for sponsors of athletic events.

The spring semester begins next week. Meetings were held this week with faculty and clerical support staff. In the area of staff development, Dr. Barbara Cambridge, who directs the Assessment Forum of the American Association for Higher Education, spoke at the faculty meeting.

Campaign USI closed its books officially as of December 31. While a complete accounting is not yet available, it is expected that the results will be announced by mid-month at a news conference. A significant gift was received in December which assured that the campaign would exceed the challenge goal of \$16 million. The combination of gifts, pledges, and deferred gifts is expected to total more than \$23 million. Dr. Hoops reiterated that it is virtually unprecedented in American higher education that a relatively new university in a first campaign has been able to do what has been done at USI. This has been the result of organization, hard work, and a very fine image of the University held among its constituencies. The campaign has been so impressive that it was the lead story in the Cargill Associates consultants' newsletter this spring. *Campaign USI* is viewed by Cargill as one of its greatest corporate success stories. Dr. Hoops noted that nothing is ever any better than its leadership, and congratulated Sherrienne Standley for providing that leadership.

Dr. Hoops invited Dr. Reid to introduce Phil Fisher, dean of the School of Business, who presented an overview of the School of Business, including enrollment trends and plans for the future.

Dr. Hoops mentioned that several of USI's successful business alumni who live and work in the Indianapolis area would join the trustees for lunch after the meeting. He introduced Sherry Begle Flick, a former Presidential Scholar, who gave her perspective of the School of Business and how her education at the University has benefited her.

Dr. Hoops noted in today's agenda, the staff would request that two items be withdrawn from consideration until a future meeting. Vice Presidents Byrd and Schmidt continue to work with architects to design the best fitness, wellness, and recreational facility possible within the constraints of funding approvals. He stated it is believed delaying a decision to be in the best interest of the University, and asked for patience during this process.

Dr. Hoops introduced Patrick West and noted his term as SGA President will end soon. He alluded to the work Patrick has done during his tenure and his impact on the Student Government Association and the progression of student life, which is so important to this institution. Patrick West gave an update on the organization's goals. He noted students overall are pleased with the way things are going on campus and mentioned a few minor concerns that have been successfully addressed. A search for the next student trustee will begin this semester. He previewed some of SGA's plans for this and next semester, including a program called "The Future of USI". This will allow student leaders to help develop a plan for what USI will be when current students are alumni. SGA will work with the Alumni Office to encourage students to purchase USI license plates, and will show their support for the basketball teams by attending the Kentucky Wesleyan game in February as well as the GLVC Conference games. He noted SGA representatives will meet with Cindy Brinker and state legislators in Indianapolis on February 10. Lastly, SGA will work on improving nominations and voting on Faculty Staff Administrator of the Year award, and on the Spirit of the Eagle award.

Dr. Hoops noted that several board members will attend the annual Commission for Higher Education Conference for University Trustees on Friday and expressed his appreciation for the time taken from their busy schedules to meet and interact with Commission staff and trustees from sister institutions.

SECTION II - FINANCIAL MATTERS

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

This item was withdrawn from the agenda by consent of the Board.

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

This item was withdrawn from the agenda by consent of the Board.

C. REPORT OF THE CONSTRUCTION COMMITTEE

Richard Schmidt reported new bids for the Liberal Arts Center telecommunications system would be presented to the committee for approval at its March, 1999 meeting. Other items addressed include extension of the utility tunnel in the Liberal Arts Center project, change orders to the Liberal Arts Center project, an addition to the Health Professions Center lower level completion project, and the Wellness, Fitness, Recreational facility.

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

On a motion by Mr. Will, seconded by Mrs. Bruce, the proposed change orders in Exhibits II-A, II-B, and II-C were approved.

E. REPORT OF THE FINANCE COMMITTEE

Mr. Schmidt reported the committee voted to recommend that the Board of Trustees approve the proposed 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.

On a motion by Mr. Will, seconded by Mrs. Bruce, the revised process for approval of operating budgets and additional appropriations and transfers of funds in Exhibit II-D was approved.

G. APPROVAL OF RECOMMENDATION FOR 1999-2000 HOUSING RATES

On a motion by Mr. Will, seconded by Mr. Pauley, the housing rates as recommended by the Finance Committee were approved.

	<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.

On a motion by Mr. Will, seconded by Mrs. Bruce, the Deferred Compensation Plan was approved.

I. REPORT ON CURRENT CONSTRUCTION PROJECTS

Steve Helfrich reported on the progress of construction of the Liberal Arts Center; the Science Center renovation project (phase II) which should be substantially complete by fall 1999; the Student Residential Complex; the lower level of the Health Professions Center; the Art Studio Center; and the Physical Activities Center locker room renovation project which is substantially complete.

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
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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

On a motion by Mr. Will, seconded by Mrs. Bruce, the Budget Appropriations, Adjustments, and Transfers were approved.

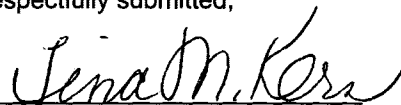
K. APPROVAL OF RESIDENT MEAL PLAN FEE

Students who live in the new Student Residential Complex will be required to purchase the Resident Meal Plan. The charge recommended for the Resident Meal Plan is \$1,150 per semester. This charge will include seven evening meals each week and two brunches each weekend, as well as \$362 in Dining Dollars, which can be used at any of the food service operations.

On a motion by Mr. Will, seconded by Mrs. Bruce, the Resident Meal Plan Fee was approved.

There being no further business, the meeting was adjourned at 11:50 a.m.

Respectfully submitted,


Tina M. Kern, Secretary

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.

Revised Abstract
Post-Baccalaureate Certificates In Computer Information Systems
University of Southern Indiana

Objectives:

The goal of these programs 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 the 21-credit hour basic program and one of three 9-credit hour advanced programs will be prepared for employment as programmers, systems analysts, or managers.

Clientele to be Served:

The programs are 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 basic program plus any one of the advanced programs prepares a student to sit for the Certified Professional Examination sponsored by the Institute for the Certification of Computer Professionals.

These programs also are suited for professionals who find they must acquire the ability to operate and manage various aspects of their organization's information system in order to do their job effectively.

Curriculum:

These post-baccalaureate certificate programs require the completion of 21 hours in the basic program and at least one of three 9-credit hour advanced programs. 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. J. Michael Farr in the *Wall Street Journal Interactive edition*, on November 19, 1998, states that 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 _____