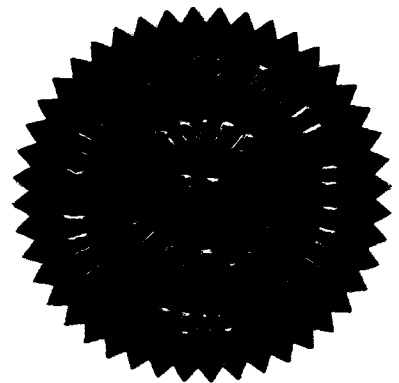


MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

May 5, 2000



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

May 5, 2000

The University of Southern Indiana Board of Trustees met on Friday, May 5, 2000, in Carter Hall of the University Center. Present were Trustees Bruce Baker, Louise Bruce, Ryan Helzerman, J. David Huber, Tina Kern, Thomas McKenna, 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 Mark Krahlung; and SGA President Rick Hudson.

There being a quorum present, the meeting was called to order at 2:30 p.m.

Mr. Will welcomed Rick Hudson, new President of the Student Government Association, and Trustee J. David Huber, who served on the Board from 1991-95 and has been reappointed by Governor O'Bannon.

SECTION I – GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF MARCH 6, 2000, MEETING

On a motion by Ms. Kern, seconded by Mr. Baker, the minutes of the March 6, 2000, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Thursday, July 13, 2000, on campus. This is also the Annual Meeting. The Board Retreat will be August 18-19 at Lake Barkley.

C. PRESIDENT'S REPORT

Dr. Hoops congratulated Mark Krahlung on his re-election as chair of Faculty Senate, saying he is pleased to have his leadership again next year.

Dr. Hoops also commented that the board was pleased to welcome David Huber back as a trustee. He served with distinction from 1991-1995.

Dr. Hoops remarked that as is usually the case, spring has brought an increasing number of activities to the campus.

Dr. Hoops announced that the School of Business celebrated the tenth anniversary of its Board of Visitors with a banquet and speech by Bill Burleigh, chairman of Scripps Howard. All former and present members of the Board of Visitors were honored for their involvement and contributions, which have helped to improve curriculum and obtain accreditation for the School of Business.

In late April the State Budget Committee traveled to Evansville for several site visits, including USI. The legislators and staff of the budget agency were taken on a tour of the Rice Library and the new Liberal Arts Center. USI was given an opportunity to present an overview of its priorities for funding in the next budget cycle and to talk about its future needs for improved classroom and library space. The presentation was well received.

Dr. Hoops remarked that he was invited to participate in the State Republican Party platform hearings when they were held in Evansville. He stressed the importance of higher education to the welfare of Indiana and urged support and commitment to postsecondary education in the 2000 Republican platform.

Recently USI was pleased to welcome to campus three members of the Indiana Court of Appeals who conducted oral arguments on a case pending before the Court. Judge John Baker, Judge Melissa Mattingly, and Judge Mark Bailey came in early to have lunch with the officers of USI's pre-law club, who also attended the hearing along with other students and faculty. The Judges were generous with their time. They answered questions about the Court and its processes on conclusion of the oral argument hearing. Opportunities for this type of interaction are excellent learning experiences for USI students.

Dr. Hoops announced that Extended Services also has had several activities this spring:

- The Indiana Association of Historians annual conference was held in New Harmony, attracting nearly 125 participants. It was co-sponsored by Historic Southern Indiana and the USI History Department.
- Historic Southern Indiana and the Indiana State Museum and Historic Sites conducted the 9th annual Interpretation Development Workshop at Spring Mill Park, drawing over 100 participants from throughout the state.
- Monday, May 8, Historic Southern Indiana will present the first annual Community Legacy Award to the town of West Baden for outstanding achievements in identifying, preserving, enhancing, and promoting its history and culture. West Baden was selected from among seven applicants by judges from Historic Southern Indiana, Historic Landmarks, the Department of Natural Resources, and the Indiana Department of Tourism.
- Extended Services also is conducting a customized customer service program for 1,200 employees of Henderson Methodist Hospital. Dr. Nancy Kovanic of Extended Services Organizational and Professional Development group has designed and is conducting the program.
- Extended Services and Engineering Technology are developing a series of training programs for wastewater treatment operators, which will be offered statewide over the IHETS network. The first course, Chemistry for Environmental Professionals, will begin in May and has been certified for continuing education credit by the Indiana Department of Environmental Management.

Dr. Hoops extended congratulations to Extended Services Dean and Associate Vice President Ed Jones for receiving the Bittner Citation for Outstanding Service to the University Continuing Education Association. The award, which recognized Dr. Jones' 25 years of leadership to the organization, has been presented annually since 1968, and was given at the annual meeting this spring in San Diego. Dr. Jones is one of only two recipients, in the history of the award, from an Indiana institution.

Dr. Hoops announced that the University has just learned that the National Register District for New Harmony was approved by the State of Indiana's historic preservation review board. For the University and Historic New Harmony specifically, this means that all their historic properties are now on the state's list of historic places, and as such, are eligible for more sources of funding. National Park Service approval at the national level will be acted upon within 45 days. The entire district should be approved, with the possible exception of the Atheneum, which is only 21 years old, but still quite significant.

Dr. Hoops commented that New Harmony also is pleased at the prospect of teaming with the Delta Queen Touring Steamboat operation, which will be bringing over 180 buses of tourists to visit between now and the end of the year.

Dr. Hoops congratulated Rick Hudson on his election as president of the Student Government Association and welcomed him to these meetings. Dr. Hoops called on Mr. Hudson to give his report.

Mr. Hudson reported that since the last Board of Trustees meeting, SGA has been in a transition stage. Elections were held during that last week of March and the first week of April. The Awards Banquet and Recognition Ceremony was held in April. He announced that approximately 45 University administrators were in attendance. At this event, the newly elected SGA members were inaugurated. Since then SGA has conducted two meetings and already its members are becoming active leaders. SGA is addressing student issues and reaching out to fellow students. Over the past few months, Mr. Hudson has served on the state committee to select the next student representative for the Commission for Higher Education. SGA publicized the position and USI had four applicants, the most of any single campus in the state. The selection committee forwarded the four names to the Governor's office. Of those four names submitted, two of the USI students were selected; Walter Jermakowicz and Christian Blome. Both individuals are extremely qualified applicants.

Mr. Hudson also commented that the University does not shut down during the summer, and neither will Student Government. SGA will be meeting monthly, and will hold a retreat in July. SGA is also beginning to make plans for the fall semester, including Alcohol Awareness Week in October.

Dr. Hoops announced that USI student Amy Clem has been appointed by Governor O'Bannon as the student representative on the Indiana State Student Assistance Commission. Amy is a sophomore accounting major and will be an excellent representative not only of USI students, but of all students enrolled in Indiana institutions.

Dr. Hoops remarked that the University has learned that a USI student who will be studying abroad next year is the recipient of the DeWitt-Wallace Scholarship granted through the International Student Exchange Program, known as ISEP. Adam Goode, a philosophy major from Shelbyville, Indiana, is one of 23 students from 20 institutions who has been awarded the travel grant in support of his studies at the University of Helsinki, Finland. We congratulate him on this.

Dr. Hoops conveyed that the Student Financial Assistance staff conducted a college early awareness program, entitled "Don't Let Your Reality Check Bounce!" at Dubois Middle School and Pike Central Middle School. Over 100 students attended the two presentations. The PowerPoint presentation was created by the Indiana Student Financial Aid Association's early awareness committee. The committee, which includes a USI staff member, targets middle school students and parents to encourage early planning for postsecondary education. It emphasizes both financial and academic planning.

Dr. Hoops reported that USI's Counseling Center led USI's participation in National Alcohol Screening Day. Individual assessment surveys were given throughout the day in the University Center. Informational materials were distributed, and an informational video was run continuously. Staff conducted individual consultations with 181 students and made 24 referrals for further counseling. There was a target of 100 assessments for each screening site in the country. The program was free and provided anonymity for those being screened. The Counseling Center also sponsored a presentation about the effects of alcohol and binge drinking. The speaker was USI alumnus Dr. William Tuley. Dr. Tuley attracted a standing room only crowd in Kleymeyer Auditorium.

Dr. Hoops announced that USI is leading the way among Hoosier institutions. Once again this year, USI has achieved the highest compliance rate for student inoculations. USI's rate is 99.9 percent, significantly higher than peer institutions.

Dr. Jerry Cain, Dean of the Pott School of Science & Engineering Technology, introduced Professor Paul Doss, who discussed Geology and its connections with the curriculum, research, and the familiar. Professor Doss explained how Geology relates to Nursing & Health Professions, Liberal Arts, Business, and Education.

Professor Doss announced that he will be on leave for about one year to serve as Chief Geologist at Yellowstone National Park.

Dr. Hoops alluded to a report on the preceding graduating class given each year at this time. He introduced Director of Career Services and Placement Marilyn Schmidt who reported on the Class of 1999. Statistics on graduates were presented including the number of graduates securing jobs within their area of study, and graduates remaining in Indiana and in the tri-state area.

Dr. Hoops reminded the Board that later in the day the Alumni Association will honor four individuals -- two alumni, a professor, and a retired administrator -- at the annual Senior Reception and Dinner. Dr. Hoops announced that the Distinguished Alumni Award will go to Drew Cassidy, who graduated with the first class in 1971 and who has distinguished himself as an entrepreneur and financial management executive. The Alumni Service Award will be presented to Michelle Gilbert, a member of the class of 1990, a founding member and former president of the Greater Indianapolis Alumni Chapter. The Special Recognition Award will be presented to Jim Sanders, who served USI as director of Historic New Harmony and as Corporate/Foundation Relations Director. Dr. Joe Palladino, professor of Psychology who is nationally regarded for his scholarship and authorship of a widely-adopted college textbook, will receive the Faculty Recognition Award. Dr. Hoops remarked that the Alumni Association is expecting a large number of graduating seniors and their families to attend the program during which the Class of 2000 will be officially inducted into the Alumni Association.

Dr. Hoops announced that in the following day's ceremony, the largest class ever will receive degrees. Included in this class are seven with perfect 4.0 GPAs who are graduating summa cum laude; 71 graduating magna cum laude (3.8 or higher); and 90 graduating cum laude (3.6 to 3.8).

Dr. Hoops commented that we also will honor two long-time friends of USI, local educator Dr. Ira Neal, and founding first lady Betty Rice.

The Commencement address will be given by Carnegie Foundation President Emeritus, Dr. David Hamburg, who grew up in Evansville. Dr. Hamburg is anxious to return to his hometown and be a part of USI's 30th Commencement with the historic Class of 2000. All these events are an exciting culmination of the academic year.

Dr. Hoops thanked Board Chair Jim Will for standing in for him at the Commencement luncheon. Dr. Hoops is bringing the Oakland City University Commencement Address and does not expect to return in time for the luncheon. He thanked all the Board members for hosting this annual event.

Dr. Hoops announced that at the conclusion of today's meeting, tours will be conducted of the renovated Science Center.

D. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

Mr. Baker reported that the Long-Range Planning Committee met prior to the Board Meeting with various student leaders. Reports were given by Cori Smith, President of the Activities Programming Board; Amanda Knotts, President of Student Housing; and Brian Pauley, who gave his final report on Student Government and introduced new president Rick Hudson.

E. APPOINTMENT OF NOMINATING COMMITTEE

Mr. Will appointed Mr. Helzerman, Mr. Hoehn, and Mrs. Torain (chair) to serve on the nominating committee to prepare a slate of officers for the 2000-2001 year.

SECTION II - FINANCIAL MATTERS

A. REPORT OF THE FINANCE COMMITTEE

Ms. Kern reported that the Finance Committee met to review the proposed fees for 2000-2001 (Items H and I), discuss VEBA (Voluntary Employees' Benefit Association) Trust investment policies, and approve budget appropriations, adjustments, and transfers.

B. REPORT OF THE CONSTRUCTION COMMITTEE

Mr. Schmidt called on Director of Facilities Operations and Planning Steve Helfrich to review dates of the bids for the third Student Residence Hall.

C. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Mr. Helfrich reported that construction on Governor's Hall is nearly complete and construction is progressing well on the Fitness and Recreation Facility, scheduled for completion May, 2001. Renovation of Murphy Auditorium to make it ADA compliant is scheduled for completion in May. A feasibility study will be conducted to relocate University Boulevard and Parking Facilities.

D. APPROVAL OF AUTHORIZING RESOLUTION FOR THE SCIENCE/EDUCATION CLASSROOM BUILDING

In its 1999-2001 capital budget request, the University sought \$21,600,000 in bonding authority to construct a Science/Education Classroom Building. The Indiana Commission for Higher Education recommended that the project be broken into two phases. The 1999 Indiana General Assembly followed the Commission's recommendation and authorized Phase One bonding of \$12,600,000 in 1999-2001. The University will seek Phase Two funding to complete the project as its top priority in its 2001-03 capital budget request.

The University plans to delay construction of the Science/Education Classroom Building until funding for both phases is available. However, during this time there are architectural and other planning costs, which must be paid. In addition, there are related infrastructure and site-development construction steps (Exhibit II-A) which can be completed in anticipation of construction of the structure. The University therefore requests approval to move forward with financing for the planning and preliminary construction phases of the project.

On a motion by Mrs. Torain, seconded by Ms. Kern, the following resolution was approved.

WHEREAS, the Board of Trustees wishes to proceed with the planning of the complete Science/Education Classroom Building as submitted in the 1999-2001 Capital Improvement Budget Request; and

WHEREAS, the Indiana General Assembly has approved only Phase One of the Science/Education Classroom Building project; and

WHEREAS, the University plans to issue short-term debt to finance the architectural, planning, infrastructure, and site-development costs before permanently financing the total costs of constructing the Science/Education Classroom Building project; and

WHEREAS, the University intends to repay the costs of the short-term debt financing associated with the project with proceeds from permanent financing for the project;

NOW, THEREFORE, BE IT RESOLVED that President Hoops is authorized to request approval from the Indiana Commission for Higher Education, the State Budget Committee, and the Governor of the State of Indiana to proceed with the Phase One Plan for the Science/Education Classroom Building project, including a plan of financing certain costs of architectural, planning, infrastructure, and site-development with short-term debt.

FURTHER RESOLVED that the Chair authorize the Construction Committee to approve architectural contracts, design plans, cost estimates, and construction schedules, to review construction bids, and to 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 financing plans for both phases of the project.

E. APPROVAL OF REQUEST FOR GENERAL REPAIR AND REHABILITATION FUNDS

This request authorizes President Hoops to request approval of the Indiana Commission for Higher Education, the State Budget Committee, and the Governor of the State of Indiana for appropriation of general repair and rehabilitation funds for the projects listed in Exhibit II-B.

On a motion by Mr. Baker, seconded by Mr. McKenna, the funding authorization request for repair and rehabilitation funds was approved.

F. APPROVAL OF THE TEN-YEAR CAPITAL IMPROVEMENT PLAN, 2001-2011

The Ten-Year Capital Improvement Plan for 2001-2011 was reviewed. The 2001-2003 Capital Improvement Budget Request will be submitted to the Indiana Commission for Higher Education on June 15, 2000.

On a motion by Mrs. Bruce, seconded by Ms. Kern, the Ten-Year Capital Improvement Plan, 2001-2011 (Exhibit II-C) was approved.

G. APPROVAL OF CURRENT AND PLANT FUND BUDGETS

The recommended current operating budget for fiscal year 2000-2001 was presented. Increases over the previous year's budget are made possible by an increase in State appropriation, which includes inflationary adjustments and adjustments for prior enrollment increases, an increase in the student fee rate, and increases in several areas of other income.

The recommendation is for a balanced budget based upon estimates of revenue, State appropriations, and other available sources.

On a motion by Mr. Baker, seconded by Mrs. Bruce, the Current and Plant Fund Budgets were approved.

H. APPROVAL OF SCHEDULE OF STUDENT FEES AND OTHER MANDATORY FEES FOR 2000-2001

The spending level approved for the State universities by the 1999 Indiana General Assembly includes an increase in student fees to supplement the State appropriation.

It was recommended that the per-semester credit-hour fee be increased by \$5.00 for Indiana resident undergraduate students, \$7.50 for Indiana resident graduate students, \$12.25 for non-resident undergraduate students, and \$14.75 for non-resident graduate students.

On a motion by Ms. Kern, seconded by Mr. Helzerman, the Student Fees and other Mandatory Fees for 2000-2001 in Exhibit II-D were approved.

I. APPROVAL OF MISCELLANEOUS FEES FOR 2000-2001

On a motion by Mrs. Bruce, seconded by Mrs. Torain, the proposed Laboratory and Miscellaneous Fees, Rates for Student Meal Plans, Admission Prices to Athletics Events, and Children's Center Fees for 2000-2001 in Exhibit II-E were approved.

J. APPROVAL OF CONCERN: EMPLOYEE ASSISTANCE PROGRAM PREMIUM RATES FOR 2000-2001

The contract for the University's Employee Assistance Program (CONCERN: EAP) with Deaconess Service Corporation is to be renewed as of July 1, 2000. CONCERN: EAP is a comprehensive employee assistance program which provides assessment, short-term counseling, referral, and follow-up services for 728 employees and members of their immediate families. Since the program was adopted in February 1987, the utilization rate has been approximately 6.7 percent per year.

The renewal rate of \$19.50 per employee per year reflects a 2.6 percent increase for the twelve-month period beginning July 1, 2000. The University pays the annual cost for the program. This agreement with Deaconess

Service Corporation may be terminated at any time by either party upon sixty (60) days advance written notice to the other party.

On a motion by Ms. Kern, seconded by Mr. Baker, the renewal of the master policy with the Deaconess Service Corporation beginning July 1, 2000, was approved.

K. APPROVAL OF LIFE INSURANCE RATES FOR 2000-2001

The University has two group life insurance programs. There are 83 employees and 69 retirees enrolled in the original program and 649 employees and 16 retirees enrolled in the revised program. Employees hired after February 1, 1988, are enrolled in the revised program.

Renewal rates from Canada Life Assurance Company reflect no rate increase for a twelve-month guarantee period effective July 1, 2000. The life insurance rate will remain at \$.28/\$1,000 and the Accidental Death & Dismemberment Plan rate will remain at \$.02/\$1,000.

On a motion by Ms. Kern, seconded by Mr. Baker, the Canada Life insurance rates effective July 1, 2000, were approved.

L. APPROVAL OF LONG-TERM DISABILITY INSURANCE RATES FOR 2000-2001

The contract for the University's Long-Term Disability Insurance Program with Teachers Insurance and Annuity Association (TIAA) is to be renewed as of July 1, 2000. The TIAA disability coverage provides income benefits and retirement contributions in the event of a long-term disability. The University pays the total premium cost for 457 eligible employees.

Renewal rates from Teachers Insurance and Annuity Association (TIAA) reflect a 5 percent increase for a twelve-month period beginning July 1, 2000. The current monthly premium is based on a percentage of Covered Monthly Salary (CMS) for the University:

	1999-00 Rates	2000-01 Rates
Income Premium	0.365% CMS	0.385% CMS
Annuity Premium	0.141% CMS	0.146% CMS

On a motion by Ms. Kern, seconded by Mr. Baker, the TIAA Long-Term Disability Insurance rates effective July 1, 2000, were approved.

M. APPROVAL OF VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION (VEBA) TRUST INVESTMENT POLICY

The Finance Committee reviewed the VEBA Trust Investment Policy at their meeting on May 6, 2000.

Based on the recommendation of the Committee, on a motion by Mr. Baker, seconded by Mrs. Bruce, the University of Southern Indiana VEBA Trust Investment Policy in Exhibit II-F was approved.

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

On a motion by Ms. Kern, seconded by Mrs. Torain, the following personnel action was approved.

1. **Promotion.** The following faculty member is recommended for promotion, effective August 21, 2000:

Assistant Professor to Associate Professor

J. Casey Harison, Assistant Professor of History
School of Liberal Arts

There being no further business, the meeting was adjourned at 4:08 p.m.

Respectfully submitted,


Louise S. Bruce, Secretary



New Science/Education Classroom Building

University of Southern Indiana

Project Budget - Phase I April 24, 2000

Estimated Mechanical Construction Cost

New 1200 ton Chiller w/Pumps & Cooling Tower	\$450,000
Extend Chilled Water Piping from Manhole 7 - 10	150,000
Provide additional Boiler Pumps	50,000
Extend High Temp Water Piping from Manhole 7 - 10	75,000
New Manhole and Tunnel to New Building	<u>100,000</u>
	\$825,000

Estimated Electrical Construction Cost

Extend 12.5KV Service from Manhole 7 - 10	42,000
Replace Four Switches (Manholes 4, 5, 7, & UC Bldg.)	120,000
Service to New Building (Includes new Switch-Manhole 3)	<u>110,000</u>
	\$272,000

Site Preparation Construction Cost

Temporary Classroom Relocations	\$400,000
Greenhouse Relocation	40,000
Solvent Storage Building Demolition	5,000
Chemical Storage Building Demolition	60,000
Parking, Walks and Roadway Modifications	\$615,000
Asphalt Paving and Curbing	365,000
Access Drive adjacent Physical Plant	35,000
Temporary Walk around Construction	20,000
Service Drive to Forum Wing	55,000
New Roadway Loop to Liberal Arts	140,000

Site Utility Relocations	<u>\$125,000</u>
	\$1,245,000

Design Fees & Expenses *

Architectural & Engineering Fees	\$824,701
Programming	106,000
Schematic Design	143,141
Design Development	193,020
Construction Documents	382,540
Laboratory Consultant Fees	104,600
Construction Management Fees	82,500
Expenses	<u>65,000</u>

* Based on Fees & Expenses through Design

\$1,076,801

Total Project Development - Phase I \$3,418,801

Carry-forward to Construction \$9,181,199

Total Phase I Authority \$12,600,000

University of Southern Indiana
Request for General Repair and Rehabilitation Funds
May 5, 2000

Redesign and improve the pedestrian crosswalk on University Boulevard at the Orr Center	\$ 40,000
Replace high voltage (12,470 volts) electric oil switches in Utility Tunnel	150,000
Replace high voltage (12,470 volts) electric feed cable in Utility Tunnel between Manhole No. 7 and Manhole No. 10	45,000
	<hr/>
TOTAL	\$ 235,000

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE C
TEN-YEAR CAPITAL IMPROVEMENT PLAN (BUILDINGS) (1)
(all amounts expressed in 2001-03 dollars)

	NEAR-TERM 2001-03 Biennium			MEDIUM-TERM 2003-05 Biennium			LONG-TERM 2005-11 Biennium		
	Projected State Amount	Funding Other Sources (2)	Space Change A.S.F.	Projected State Amount	Funding Other Sources (2)	Space Change A.S.F.	Projected State Amount	Funding Other Sources (2)	Space Change A.S.F.
I. Special R & R									
1. Campus Entrance/Roadway Relocation Phase I and Phase II	\$4,000,000						\$4,000,000		
2. Library Renovation				\$3,600,000		N/C			
II. New Construction									
1. Science/Education Classroom Bldg. Completion	\$10,540,000 *		37,390						
2. Library/Classroom Expansion **	\$23,200,000		81,800						
3. Parking Facilities		\$6,000,000 (c)			\$8,500,000 (c)				
4. Student Residence Buildings		\$7,000,000 (b)	55,000		\$7,300,000 (b)	55,000	\$16,000,000 (b)	110,000	
5. Student Dining Facility					\$3,000,000 (b)	11,200			
6. General Classroom Building				\$22,500,000		75,000			
7. Physical Activities Center Addition				\$6,000,000	\$6,000,000 (d)	58,000			
8. Central Stores/Receiving Facility					\$1,500,000 (a)	32,000			
9. Student Support Facilities***					\$11,500,000 (c)	57,000			
10. Wellness, Fitness, Recreational Facility - Phase III							\$5,500,000 (c)	25,000	
11. Performing Arts Center							\$15,000,000	\$6,000,000 (d)	60,000
III. Facilities Acquisition									
None									
IV. Lease									
None									
TOTAL	\$37,740,000	\$13,000,000	174,190	\$32,100,000	\$37,800,000	288,200	\$19,000,000	\$27,500,000	195,000

(1) Note any projects which may involve the alteration or demolition of an historic site or structure.

(2) Identify source of non-state (i.e. "other") funding.

(a) Institutional Plant Fund Reserves

(c) Fees and Contributions

(b) Rental/Board Income

(d) Contributions

*\$21,600,000 requested in 1999-2001; \$12,600,000 bonding authority authorized in 1999-2001 Biennial Budget. Based on construction cost escalation: \$21,800,000 X 1.035 X 1.035 - \$12,600,000 = \$10,540,000

**Cost estimate based on construction costs in 2000

***Wellness, Fitness, Recreational Facility Phase II: Funding - \$5,000,000, Space Change A.S.F. - 27,000; UC Expansion: Funding - \$6,500,000, Space Change A.S.F. - 30,000

SCHEDULE OF STUDENT FEES AND OTHER MANDATORY FEES FOR 2000-2001

Schedule of Fees
Effective Fall Semester 2000
Per Semester Credit Hour

	<u>UNDERGRADUATE</u>		<u>GRADUATE</u>	
	Resident	Non-Resident	Resident	Non-Resident
Contingent	\$ 68.75	\$ 68.75	\$114.75	\$114.75
Instructional Facilities	18.00	18.00	18.00	18.00
Student Services	10.50	10.50	10.50	10.50
Non-Resident		141.00		144.25
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 97.25	\$238.25	\$143.25	\$287.50

OTHER MANDATORY FEES

Campus Services Fee (8 or more credit hours per semester)	\$30.00
Campus Services Fee (more than 3 and fewer than 8 credit hours per semester)	22.75
Campus Services Fee (3 or fewer hours per semester)	.00
Campus Services Fee Summer	7.75

MISCELLANEOUS FEES FOR 2000-2001**1. LABORATORY AND MISCELLANEOUS FEES**

	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Effective Date</u>
Application Fee (Undergraduate)	\$ 25.00	\$ 25.00	07/01/00
Application Fee (Graduate)	25.00	25.00	07/01/00
Audit Fee (Plus Applicable Lab Fee)	35.00	35.00	08/28/00
Bad Check Penalty First Check	10.00	10.00	07/01/00
Bad Check Penalty Subsequent	20.00	20.00	07/01/00
Bowling Lab Fee	35.00	35.00	08/28/00
Change of Schedule	15.00	15.00	08/28/00
Computer Lab Fee	30.00	30.00	08/28/00
Departmental Exams	15.00	15.00	08/28/00
Distance Education Fee (Learning Center Fee, per credit hour)	25.00	25.00	08/28/00
Distance Education Delivery Fee	10.00	10.00	08/28/00
Distance Education Supply Fee	100.00	100.00	08/28/00
Health Professions Insurance	15.00	15.00	07/01/00
Health Services Fee	47.00	37.00	08/28/00
ID Card Replacement Fee	10.00	10.00	08/28/00
Laboratory Fee	30.00	30.00	08/28/00
Late Registration Fee	25.00	25.00	08/28/00
Matriculation Fee (7 or more credit hours per semester)	62.00	62.00	07/01/00
Matriculation Fee (fewer than 7 credit hours per semester)	31.00	31.00	07/01/00
Nursing Test Fee	30.00	30.00	08/28/00
Occupational Therapy Clinical Fee	50.00	50.00	08/28/00
Payment Plan Fee	30.00	30.00	07/01/00
Payment Plan Late Fee	25.00	25.00	08/28/00
Parking Fee (8 or more credit hours per semester)	15.00	15.00	08/28/00
Parking Fee (more than 3 and fewer than 8 credit hours per semester)	10.00	10.00	08/28/00
Parking Fee (3 or fewer credit hours)	5.00	5.00	08/28/00
Parking Fee (per summer session)	5.00	5.00	08/28/00
Parking Fee (temporary)	5.00	5.00	08/28/00
Parking Tag Replacement Penalty	10.00	10.00	08/28/00
Physical Education Fee	20.00	20.00	08/28/00
Respiratory Therapy Advanced Life Support Fee	100.00	100.00	08/28/00
Student Resident/Housing Conduct Program Fees			
Level I	25.00	25.00	08/28/00
Level II	50.00	50.00	08/28/00
Level III	100.00	100.00	08/28/00
Studio Fee	30.00	30.00	08/28/00
Traffic Violation Fines			
Reckless Driving	35.00	35.00	07/01/00
Speeding	35.00	35.00	07/01/00
Parking Handicapped Zone	25.00	50.00	07/01/00
Improper Registration	5.00	5.00	07/01/00
All Other Violations	10.00	10.00	07/01/00

2. RATES FOR STUDENT MEAL PLANS

Students who live in the Student Residence Hall Complex are required to purchase a Resident Meal Plan and can choose from three plans:

Red Eagle Plan	\$1396
White Eagle Plan	\$1196
Blue Eagle Plan	\$ 996

3. ADMISSION PRICES FOR ATHLETICS EVENTS

	<u>Current</u>	<u>Proposed</u>
BASKETBALL, MEN AND WOMEN		
SEASON TICKET		
Reserved Chairback	\$100.00	\$100.00
General Admission Bench, Adult	75.00	75.00
General Admission Bench, Student (non-USI)	35.00	35.00
SINGLE GAME		
Reserved Chairback	8.00	8.00
General Admission Bench, Adult	7.00	7.00
General Admission Bench, Student (non-USI)	4.00	4.00
SOCCER		
SINGLE GAME		
Family	8.00	8.00
Adult	4.00	4.00
Student (non-USI)	2.00	2.00
VOLLEYBALL		
SINGLE GAME		
Adult	3.00	3.00
Student (non-USI)	1.00	1.00

A valid student identification card admits USI students free to regularly-scheduled athletics events. Children two years of age and under not occupying a seat will be admitted free when accompanied by an adult. Children occupying a seat will be charged the student (non-USI) fee. Senior citizens 65 years of age or older will receive a \$1 discount on each single-admission ticket or pass.

4. CHILDREN'S CENTER FEES

	<u>Current</u>	<u>Proposed</u>
<u>Full-time Attendance (Per-Day Fee) *</u>		
One Child (USI)	\$15.50	\$16.00
One Child (off-campus parents)	19.00	20.00
<u>Hourly Attendance (Per-Hour Fee) **</u>		
One hour	2.75	2.75
Two hours	4.25	4.50
Three hours	6.00	6.25
Four hours	7.25	8.00
Five hours	9.50	9.75
<u>Evening</u>		
5:00 p.m. - 9:00 p.m. (includes evening meal)		10.00
5:30 p.m. - 9:00 p.m. (excludes evening meal)		8.00
More than five hours = full time		

* Snacks and lunches are included in the full-time fee.

** Additional charges for snacks and lunches will be assessed all children enrolled on a part-time basis in attendance at snack and/or lunch time.

In the event that a child is not picked up by closing (5:00 p.m. if enrolled in day care or 9:10 p.m. if enrolled in evening care) a late fee of \$0.20 per minute per child will be assessed for the first 10 minutes and \$1.00 per minute per child for each minute thereafter.

UNIVERSITY OF SOUTHERN INDIANA VEBA TRUST INVESTMENT POLICY

INVESTMENT POLICY - GENERAL

The purpose of the investment policy is to define the attitudes, philosophy, and goals of the Finance Committee of the University of Southern Indiana Board of Trustees for investing the VEBA (Voluntary Employees' Benefit Association) Trust Fund. In addition, the policy defines the investment guidelines that will be provided to the investment managers. These guidelines address the structure necessary to achieve a diversified portfolio, including asset classes, allocation targets, and management styles. This portfolio should be capable of achieving significant long-term returns while maintaining acceptable levels of risk. The policy will further define measurable industry standards that will be used to monitor and evaluate the performance attained by the investment managers. While this policy defines the current guidelines for managing the fund investments, it is intended that it will be reviewed regularly and modified to meet the evolving financial environment.

INVESTMENT PHILOSOPHY

The VEBA Trust Fund was established with the intent of providing a revenue stream that will be utilized to partially fund future costs of the University's retiree benefit plans. It is anticipated that the fund assets will be allowed to grow through additional investments, reinvestment of current income from the asset base, and capital appreciation of the asset base. It is further anticipated that there will be no need to take distributions from this fund for a period of at least ten years after July 1, 2000. Therefore, the investment philosophy for this fund will be based upon investment decisions that will maximize the long-term growth and appreciation of the fund.

Investment decisions for this fund will be based upon the continuing belief in a free enterprise society supported by publicly owned businesses; therefore, the fund's assets should be invested in high quality equity and debt securities of these businesses. It is also recognized that in any economy or over any appreciable time period there will probably be an inflationary loss of purchasing power of the fund's assets. Historically, over extended periods of time, equity investments generally have grown through dividends and appreciation at a faster pace than inflation, and it is expected that such a trend will continue. Consequently, over the long run, equity investments generally provide the best hedge against inflation and a deterioration of the asset base.

The investment objectives of the fund call for a disciplined and consistent management philosophy accommodates the occurrence of those events that might be considered reasonable and probable. They do not call for a philosophy that represents extreme positions or opportunistic styles of invest

The investment portfolio shall be diversified as to both fixed income and equity holdings. The purpose of diversification is to provide reasonable assurance that no single investment or class of investments will have a disproportionate or significant impact on the total portfolio. The purpose of fixed income investments is to provide a highly predictable and dependable source of income, to reduce the volatility of the total portfolio market value, and, when appropriate, to provide a source of funds for other investments. The purpose of equity investments is to provide current income, growth of income, and appreciation of principal with the recognition that this requires the assumption of greater market volatility and risk of loss.

The fund will not be directly or internally managed by the Board of Trustees, the Finance Committee, or University officials. One or more investment advisors will be retained by the fund to manage the fund's assets to (1) provide greater diversification of investment judgment, investment opportunity exposure; and (2) create a positive influence on performance through independent monitoring and advice.

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Investment advisors shall be selected from strongly established and financially sound organizations that have a proven and demonstrable record in managing funds with characteristics similar to those of this fund. Selection will depend upon factors established by the Finance Committee from time to time. These factors will include the competitive structure of the investment advisor's custodial and management fee schedules.

FUND INVESTMENT OBJECTIVES

The long-term investment objectives of the VEBA Trust Fund are:

- (1) To exceed the general rate of inflation;
- (2) To establish a diversified investment portfolio between fixed and equity securities;
- (3) To establish further diversification among various asset classes within the fixed and equity pools; and
- (4) To maximize total return utilizing prudent levels of risk.

ASSET ALLOCATION MIX

Historical performance results and future expectations suggest that equities will provide higher total investment returns than fixed-income securities over a long-term investment horizon. Investments in equities also carry with them increased exposure to market volatility and risk of loss of principal. Based upon the time horizon for future distributions of the VEBA Trust Fund, the investment goals of the fund, and prudent risk tolerances, the following asset allocation guidelines are deemed appropriate for the investment of fund assets.

ALLOCATION

<u>Investment Type</u>	<u>Target</u>	<u>Range</u>
Equities	70%	65% - 75%
Fixed Income	30%	25% - 35%

Investments should not exceed the minimum and/or maximum levels for more than 30 days without the written authorization of the Finance Committee. The investment advisor has discretion to move within the ranges as an expression of the advisor's confidence or concern for the securities markets.

ASSET CLASS DIVERSIFICATION

Within the equity portion of the portfolio, the fund seeks to further diversify among different asset classes. These asset classes and their target allocations are presented below.

<u>Asset Class/Style</u>	<u>Target</u>
<u>Equities</u>	
Large Capitalization Domestic	42%
International	18%
Small Capitalization Domestic	<u>10%</u>
Total Equities	70%

These target allocations are intended to be general guidelines. Movement among the various asset classes from time to time will be considered normal. The asset class target mix percentages are long-term in nature. The Finance Committee does not believe that short-term market timing will add value to the portfolio over the long run.

INVESTMENT RESTRICTIONS

The investment advisor is specifically prohibited from investing trust assets in the following securities and transactions:

- (1) Short sales or purchases on margin
- (2) Purchase of options
- (3) Direct investments in commodities or real estate
- (4) Letter stock or other unregistered securities
- (5) Private placements
- (6) Bonds rated less than "A"
- (7) Foreign debt issues
- (8) Derivatives for speculative purposes
- (9) Other investments which would appear to violate the fiduciary responsibility of the fund

USE OF MUTUAL FUNDS

During the early growth period of the fund, the investment advisor may find it necessary to utilize mutual funds to meet the desired diversification necessary to reduce risk in one or more of the equity classes. When using mutual funds, the investment advisor should select funds with a proven track record for performance in its investment style. Each fund chosen is expected to adhere to the investment constraints and style as outlined in the fund prospectus. In choosing a fund, the investment advisor should be alert to any recent changes in the fund manager and evaluate how these changes may affect the future performance of the fund.

PERFORMANCE OBJECTIVES

The Finance Committee will periodically review the performance of the investment advisors based upon the performance objections detailed below. It is generally expected that the performance objectives will be achieved over the period of three to five years.

Large Capitalization Domestic

The annualized total return of the large capitalization domestic portfolio should exceed the Standard & Poor's 500 Stock Index. Mutual funds in this category should exceed the median of the universe of funds utilizing a similar style, net of any fees.

International

The portfolio's total return should exceed the annualized return of the Morgan Stanley Capital International Europe, Australia, Far East (EAFE) Index by 1.0 percent, net of fees. Mutual funds in this class should rank in the upper half of the universe of international mutual funds, net of fees.

Small Capitalization Domestic

The performance target for these assets should equal or exceed the total return generated by the Russell 2000 Index, net of fees. Mutual funds in this category should rank in the upper half of a comparable universe of small cap mutual funds, net of fees.

INVESTMENT ADVISOR RESPONSIBILITIES

It is expected that the investment advisors will assume the following responsibilities in managing the VEBA Trust assets:

- Comply with the provisions of the Investment Advisors Act of 1940.
- Invest the assets with the due diligence of a prudent professional manager of investment assets.
- Communicate in writing with the Finance Committee of the University of Southern Indiana Board of Trustees when suggesting significant changes in the investment objectives of the portfolio.
- On at least a quarterly basis, report to the Finance Committee the performance results and current holdings in the portfolio.

ROLE OF THE FINANCE COMMITTEE

The responsibility of the Finance Committee of the Board of Trustees is to provide direction for the investment of the financial assets of the University of Southern Indiana VEBA Trust Fund. The specific responsibilities are as follows:

- To establish and maintain policies and guidelines for the investments of the fund assets
- To determine the appropriate allocation ranges among classes of investments
- To engage and terminate the services of investment advisors
- To monitor investment returns and review the performances of investment advisors
- To report to the Board of Trustees

MONITORING OF INVESTMENT ADVISORS

The Finance Committee of the Board of Trustees is responsible for monitoring the stewardship of the investment advisors. From time to time, the Finance Committee may meet individually with the investment advisors. During these meetings, the Committee will focus on reports about:

- The advisor's compliance with the investment policies developed by the Committee.
- The most recent economic environment and projected future changes in that environment.
- Significant changes in the advisor's organization, investment philosophy, and/or key personnel.
- Comparisons of the investment advisor's results with the appropriate benchmark standards as outlined in the investment policy.