

MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

May 10, 2003

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The University of Southern Indiana Board of Trustees met in regular session on Saturday, May 10, 2003, in the University Conference Center. Present were Chair J. David Huber and Trustees Bruce H. Baker, Louise S. Bruce, G. Patrick Hoehn, Walter J. Jermakowicz III, Tina M. Kern-Raibley, Thomas F. McKenna, Harolyn G. Torain, and James L. Will, Sr. Also in attendance were President H. Ray Hoops; Vice President for Advancement Sherrienne M. Standley; Provost and Vice President for Academic Affairs Robert L. Reid, Vice President for Business Affairs and Treasurer Robert W. Ruble; Vice President for Governmental Relations Cynthia S. Brinker; Vice President for Student Affairs Robert W. Parrent; Student Government Association President Troy Nethery; and Faculty Senate Chair C. Christy Baker.

There being a quorum present, Mr. Huber called the meeting to order at 2:15 p.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF MARCH 6, 2003, MEETING

On a motion by Mr. Hoehn, seconded by Mrs. Kern-Raibley, the minutes of the March 6, 2003, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next meeting of the Board of Trustees was set for Monday, July 7, 2003, on campus.

C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

The Long-Range Planning Committee met prior to the board meeting on May 10, 2003. Chair Bruce Baker reported that the committee heard a report from the Student Government Association and the Activities Programming Board and a report from Vice President Parrent on future plans for Student Affairs.

D. APPROVAL OF NEW DEGREE PROGRAM: BACHELOR OF ARTS/BACHELOR OF SCIENCE MAJOR IN EARLY CHILDHOOD EDUCATION

Vice President Reid introduced C. Thomas Pickering, dean of the Bower-Suhrheinrich School of Education and Human Services, who summarized the program and introduced Charles Price, chair of the Teacher Education Department. Dr. Price reviewed the proposal of the Bower-Suhrheinrich School of Education and Human Services to offer a bachelor's degree in early childhood education. The implementation date for the program, described in Exhibit I-A, is fall semester, 2003.

This program will prepare prospective teachers for positions in preschool through third grade and will provide an appropriate degree option for nontraditional students currently employed in preschool settings.

Faculty in the Department of Teacher Education planned the program in consultation with an advisory committee that included early childhood teachers from the local school district and community-based preschool programs. This degree program is consistent with teacher licensure in Indiana and reflects a growing recognition among educators and policy makers of the importance of early childhood education. The program is recommended by the University Curriculum Committee, the Academic Planning Council, the Faculty Senate, and the President.

On a motion by Mr. McKenna, seconded by Mr. Will, the Bachelor of Arts/Bachelor of Science major in Early Childhood Education (Exhibit I-A) was approved.

E. APPROVAL OF NEW DEGREE PROGRAM: BACHELOR OF ARTS MAJOR IN INTERNATIONAL STUDIES

Vice President Reid introduced Iain Crawford, dean of the School of Liberal Arts, who reviewed the proposal of the School of Liberal Arts for a bachelor's degree in international studies. The implementation date for the program, described in Exhibit I-B, is fall semester, 2003.

This is an interdisciplinary program designed to prepare students for the multicultural world in which they live. The program requires no new courses; it is a synthesis of courses that already exist and that are regularly offered.

Faculty from the School of Liberal Arts, the School of Business, and the Pott School of Science and Engineering developed this program. It builds upon an earlier focus on Latin American studies, expanding that interest far more extensively. Survey data of more than 500 current students indicate a high level of student demand for such a program. The program is recommended by the University Curriculum Committee, the Academic Planning Council, the Faculty Senate, and the President.

On a motion by Mrs. Torain, seconded by Mrs. Kern-Raibley, the Bachelor of Arts major in International Studies (Exhibit I-B) was approved.

F. APPROVAL OF INTELLECTUAL PROPERTY POLICY

Vice President Reid reported that in June 2002, President Hoops established the Intellectual Property and Copyright Committee to develop recommendations for a University policy regarding intellectual property. The committee has completed its task and the policy is in Exhibit I-C. Members of the committee were Chair Ruth Miller, Christy Baker, Karen Bonnell, Patricia Ferrier, Darlene Fisher, Paul Frazer, Judy Halstead, Peggy Harrel, Charles Harrington, Paul Kuban, Brett Long, and Kathryn Waters.

On a motion by Mr. McKenna, seconded by Mr. Hoehn, the University of Southern Indiana Intellectual Property Policy in Exhibit I-C was approved.

G. PRESIDENT'S REPORT

President Hoops began by thanking outgoing Student Government Association President Britney Gentry for her outstanding leadership in the past year. He noted that it was a pleasure to have Britney at the table during trustee deliberations and to hear from her about the accomplishments of student government. He wished Britney well as she graduates and moves to Louisville to enter graduate school at the University of Louisville. He also welcomed Troy Nethery, the newly elected SGA president, and asked him for a report.

Mr. Nethery reported that SGA recently held its first meeting of the new General Assembly for 2003-2004. The schedule for summer retreats was established, when SGA will create a new mission statement and define goals for next year. Mr. Nethery noted that he is pleased to serve as SGA president in 2003-2004 and looks forward to a productive year.

President Hoops reported that the process for selecting a new student trustee, managed by SGA, is underway. The screening is complete and recommendations have been forwarded to the Governor, who will make the appointment.

President Hoops invited Christy Baker, chair of the Faculty Senate, to give a report. Professor Baker reported that the senate began its year with a half-day retreat when charges were developed for each standing committee, including Curriculum, Student Affairs, Faculty and Academic Affairs, Economic Benefits, Assessment, Grievance and Hearing, and Promotions. This year, an additional ad hoc committee was formed to study diversity issues. The committees met a total of 52 times, and the only committee that did not meet was the Grievance and Hearing Committee. She reported that the Faculty Senate was involved in the Intellectual Property Policy committee and the Search Committee for the Provost and Vice President for Academic Affairs. She noted that the Faculty Senate web site will be revised during the summer months to include minutes of senate and committee meetings for the past five years. The senate will continue a dialogue with the administration regarding diversity issues. Professor Baker expressed appreciation to Provost Reid for

President Hoops reported that Career Services and Placement continues its proactive role on behalf of students and alumni by sponsoring employer roundtable breakfasts and job and recruitment fairs. The March Internship/Co-op Job Fair attracted 58 businesses and over 200 students. At the Teacher Recruitment Fair in April, 37 school corporations had the opportunity to meet with over 175 teaching candidates.

He reported that this year's Student Art Show – the 33rd annual – was the most impressive and largest ever with 170 art works chosen from 400 entries, and nearly \$19,000 in scholarship, merit, and purchase awards going to highly talented students.

The president was happy to report that nearly 400 alumni and families attended USI Day at the Zoo, a new event targeting Evansville area alumni in an effort to keep alumni connected with the University.

At the annual athletics honors program, it was reported that 56 percent of the University's student athletes carry a 3.0 or higher GPA, and that 22 percent have a 3.5 or better average. The average GPA of all student athletes is 3.0. President Hoops reported that each year for the past three years, the average GPA has increased, and the challenge is to continue that trend. He commended the University's athletics administration for these important accomplishments.

He noted that the meeting agenda included a summary of the Indiana General Assembly actions and the details of USI's operating and capital budget appropriations. He remarked that it was a difficult session for the state administration and the legislature, and he expressed appreciation for the efforts of many people who helped to clearly communicate our needs, including the students, alumni, and staff who attended a successful "USI Day at the Statehouse" in April.

President Hoops reported to the board that Dean Iain Crawford will leave the University in June to accept a vice presidency at Wooster College. He congratulated Dean Crawford for his many accomplishments during his time at USI and wished him well in his new endeavors.

President Hoops announced that the meeting would be the last one for three other people who are important to the University – Provost and Vice President Bob Reid is retiring as an officer of the University after 28 years; Dean of the School of Business Phil Fisher also is retiring; and Walter Jermakowicz is graduating. He thanked each of them for their service to the University, the faculty, and the students, and as is the tradition for outgoing trustees, he presented Walter Jermakowicz with a university chair. Mr. Jermakowicz thanked the University for the opportunities offered to him as an undergraduate student and thanked the other members of the Board of Trustees for their support and friendship.

In closing his report, President Hoops called on Trustee McKenna who, on behalf of Governor Frank O'Bannon, presented the Sagamore of the Wabash to retiring Provost and Vice President for Academic Affairs Robert L. Reid and retiring Dean of the School of Business Philip Fisher.

H. APPROVAL OF RESOLUTION OF APPRECIATION TO WALTER J. JERMAKOWICZ III

Mr. Hoehn presented the following resolution of appreciation to Walter J. Jermakowicz III. On a motion by Mr. Hoehn, seconded by Mr. McKenna, the resolution was approved.

WHEREAS, Walter J. Jermakowicz III was appointed to the University of Southern Indiana Board of Trustees by Governor Frank O'Bannon in 2001, becoming the ninth student to be so appointed in the history of USI; and

WHEREAS, Mr. Jermakowicz has served with distinction as a member of the Board of Trustees; and

WHEREAS, through his active leadership and communication with the Student Government Association and other student groups, he has caused positive progress in the area of student governance; and

WHEREAS, his term on the board will expire in summer 2003;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Board of Trustees express to Mr. Jermakowicz their sincere appreciation for his involvement and his vision; and

FURTHER RESOLVED, that the Board wishes Mr. Jermakowicz well as he pursues his studies as a Fulbright Scholar in Germany next year and ultimately in medical school; and

FURTHER RESOLVED, that this resolution be adopted and spread upon the minutes of the University of Southern Indiana Board of Trustees for all time as a perpetual recognition of the deep gratitude owed by the University and its trustees, officers, students, and faculty, to Mr. Walter J. Jermakowicz III for his devoted service.

I. APPROVAL OF RESOLUTION OF APPRECIATION TO ROBERT L. REID

Mrs. Kern-Raibley presented the following resolution of appreciation to Robert L. Reid. On a motion by Mrs. Kern-Raibley, seconded by Mr. McKenna, the resolution was approved.

WHEREAS, Robert L. Reid has served with distinction as Provost and Vice President for Academic Affairs; and

WHEREAS, in his capacity as chief academic officer of the University, he has embraced and upheld the public trust with the highest ethical standards; and

WHEREAS, Dr. Reid, as the first Vice President for Academic Affairs, has overseen the development of a comprehensive array of associate, baccalaureate, and master degree programs; and

WHEREAS, Dr. Reid has broadened educational opportunity in the region by forging cooperative programs with other institutions of higher education as well as with businesses, health care providers, schools, and social service agencies; and

WHEREAS, Dr. Reid has ably represented the University in regional, state, and national organizations, and his scholarship and authorship have brought national attention to the University of Southern Indiana; and

WHEREAS, Dr. Reid has been a revered colleague of faculty and staff and a consistent friend of students and alumni; and

WHEREAS, Dr. Reid will retire as an officer of the University on June 30, 2003, having made major achievements in the realm of University administration; and

WHEREAS, it is appropriate to formally recognize his 28 years of leadership in academic administration at the University of Southern Indiana;

NOW THEREFORE BE IT RESOLVED, that at its May 10, 2003 meeting, the University of Southern Indiana Board of Trustees, acting on behalf of the entire University community, extends its sincere appreciation to Robert L. Reid and wishes him well in retirement; and

FURTHER RESOLVED, that copies of this resolution be forwarded to Dr. Reid and that this resolution be spread upon the minutes of the Board of Trustees for all time in recognition of Dr. Reid's service to the University from 1975 to 2003.

Following the reading of the resolution, Dr. Reid expressed appreciation to the Board of Trustees, President Hoops, and his colleagues for the experience of being part of the growth and expansion of the University during his career at USI.

J. REPORT ON THE 2003 INDIANA GENERAL ASSEMBLY

Vice President Brinker referred the Trustees to Exhibit I-E and summarized the 2003-2005 biennial budget. She reported that the state's two-year budget includes reduced funding for increases in enrollment, partial restoration of reductions in base funding in fiscal year 2003, funding for new initiatives linked to economic development, and small inflationary increases for personal services, supplies and expenses, and student financial aid. She noted that the recommendation of the Indiana Commission for Higher Education of \$3,300 per Hoosier FTE was funded at 50 percent in fiscal year 2004 and at 90 percent in fiscal year 2005. While this amount is a reduction from the original requests of the University and the Indiana Commission for Higher Education, Vice President Brinker expressed appreciation to the General Assembly for considering enrollment funding a priority and including it in the budget.

She reported that plant expansion funding provides approximately \$794,000 beginning in fiscal year 2004 for the operation of the Science and Education Center and that the budget restores approximately 50 percent of the operating base that was reduced by the Governor in fiscal year 2003 through the Deficit Budget Management Plan.

Vice President Brinker explained that the University's request for Economic Development Programs was funded at \$850,000 during the biennium for equipment and program needs for the engineering program. She discussed the operating budget appropriation, the capital budget appropriation (including repair and rehabilitation and facilities) and line item appropriations for 2003-2005.

She reported that she and President Hoops were privileged to attend the signing of House Bill 1001 in the Governor's office on May 8. She remarked that USI has many friends throughout the State of Indiana and expressed special appreciation to the members of the local legislative delegation who worked diligently on behalf of the University.

K. APPOINTMENT OF THE NOMINATING COMMITTEE

Mr. Huber appointed Trustee Tom McKenna as chair of the Nominating Committee for 2003-2004 and appointed Mrs. Kern-Raibley and Mrs. Torain as members of the committee.

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE COMMITTEE

In its meeting on January 9, 2003, the Board of Trustees authorized the Finance Committee to approve a financing plan for the Henry W. and Betty Jane Ruston Hall project. Chair Pat Hoehn reported that in its meeting on May 10, 2003, the Finance Committee reviewed responses to a Request for Proposal for Investment Banking Services and approved a staff recommendation to secure investment banking services as follows:

1. That the University issue fixed-rate bonds for the project;
2. That the University select Banc One Capital Markets, Inc. as its investment banker;
3. That Fifth Third Bank Trust Company be selected as bond trustee;
4. That the University, pending State approval, pursue an aggressive issuance schedule and plan to issue bonds by late July or early August, 2003; and
5. That the selected investment banker be requested to investigate creation of a marketing plan that will include local involvement of the retail sales of the bonds.

On a motion by Mr. Hoehn, seconded by Mrs. Kern-Raibley, the board ratified the action of the Finance Committee to secure investment banking services.

Mr. Hoehn reported that the committee reviewed and approved a recommendation to the full board to proceed with the construction and financing of the new library. He further reported that the committee approved a recommendation to the full board to establish the Finance/Audit Committee.

He reported that the Finance Committee reviewed the Internal Audit Charter, which will be formally adopted at its next meeting, and approved budget appropriations, adjustments, and transfers.

B. ESTABLISHMENT OF THE FINANCE/AUDIT COMMITTEE

Vice President Ruble reported that in its meeting on March 6, 2003, the Finance Committee discussed the Sarbanes-Oxley Act of 2002 and the University's desire to be in voluntary compliance with the recommendations of the Act, which encourages ethical business practices and establishes methods of identifying questionable practices for review by governing boards. He reviewed the recommendation that the Finance Committee formally assume the additional responsibilities of an audit committee and become the Finance/Audit Committee. The responsibilities of the Finance/Audit Committee are outlined in Exhibit II-A.

On a motion by Mr. Will, seconded by Mr. Baker, the recommendation to rename the Finance Committee and to establish the Finance/Audit Committee was approved.

C. REPORT OF THE CONSTRUCTION COMMITTEE

At its meeting on January 9, 2003, the Board of Trustees authorized the Construction Committee to award construction contracts for the Henry W. and Betty Jane Ruston Hall project. Chair Pat Hoehn reported that at its meeting prior to the Board of Trustees meeting on May 10, 2003, the committee reviewed a bid analysis for the Ruston Hall project and approved the staff recommendation to issue construction contracts to Arc Construction Company for general construction, to J. E. Shekell, Inc. for electrical contracting, and to Deig Brothers Construction Company for mechanical construction.

On a motion by Mr. Will, seconded by Mrs. Torain, the board ratified the action of the committee.

Mr. Hoehn reported that the committee received a report of change orders issued by the vice president for Business Affairs.

D. APPROVAL OF AUTHORIZING RESOLUTION TO PROCEED WITH THE CONSTRUCTION AND FINANCING OF THE NEW LIBRARY

Vice President Ruble reviewed the following resolution, which was recommended by the Finance Committee for approval.

WHEREAS, the University of Southern Indiana Board of Trustees acted on July 1, 2002, to include a new library building in its 2003-05 capital budget request; and

WHEREAS, the 2003 Indiana General Assembly acted on April 26, 2003, to approve construction and authorize bonding for this facility; and

WHEREAS, the Indiana State Budget Committee must now approve the University's request to proceed with the construction and financing of the new library building;

NOW, THEREFORE, BE IT RESOLVED that the President is authorized to request of the Indiana Commission for Higher Education, the Indiana State Budget Committee, and the Governor of the State of Indiana approval to proceed with the construction and financing of the new library building; and

FURTHER RESOLVED that the Treasurer is authorized to issue a Request for Proposal to solicit investment banking firms interested in providing service to the University in financing the new library building; and

FURTHER RESOLVED that the Finance Committee of the University of Southern Indiana Board of Trustees be authorized to evaluate the results of the investment banking proposals submitted, accept a proposal or reject all proposals, and approve all financing plans on behalf of the full Board. The Finance Committee shall inform the full Board of its actions at its next scheduled meeting.

On a motion by Mr. McKenna, seconded by Mr. Will, the resolution was approved.

E. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Vice President Ruble introduced Miles Mann, assistant director of Facilities Operations, to update the Board on current construction projects. Mr. Mann reported that the Science and Education Center is 97 percent complete. The education wing is substantially complete with finish work taking place on the first and second floors. The science wing is substantially complete on the upper levels and 90 percent complete on the first level. Electrical, mechanical, and fire alarm systems have been installed and tested, and site work is in progress. Furniture for offices and classrooms is scheduled for delivery in late July, and faculty and staff will move into the building in early August.

Mr. Mann reported that the construction of the Bent Twig Parking Lot located south of the Administrative Annex buildings is underway and will provide parking for 80 vehicles.

He reported that the timber harvest on the site of the lake in the Ruston Hall project is complete and that the remaining tree limbs will be chipped and mulched for use on the cross country trail. He noted that the design of the lake project is complete and will be submitted to the Indiana Department of Natural Resources for review and approval. He reported that the lake project will be bid separately from the Ruston Hall project, for which the Construction Committee approved contracts in its meeting prior to the board meeting.

F. APPROVAL OF RESOLUTION TO CORRECT LANGUAGE IN THE UNIVERSITY'S INTERNAL REVENUE SERVICE SECTION 457(F) PLAN

The Board of Trustees, in its meeting on January 7, 1999, approved a deferred compensation plan effective June 30, 1999. Approval of the following technical corrections resolution was recommended. On a motion by Mr. Will, seconded by Mr. Baker, the resolution was approved.

WHEREAS, under various Internal Revenue Code Sections, such as 79, 104, 105, 106, 125, 127(a), 129, 132, 137, 401(a), 401(h), 403(a), 404(a)(2), 407(d)(6), 409, 457, 4975(e)(7) and 29 U.S.C. 002(1), the University of Southern Indiana offers health and welfare and retirement benefits to its employees utilizing various plans enacted, authorized, and approved by the Internal Revenue Service; and

WHEREAS, certain technical corrections are required to the 457 plan, including but not limited to corrections required by the Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA), the Uruguay Round Agreement Act/General Agreement on Tariffs and Trade (GATT), the Small Business Job Protection Act of 1996 (SBJPA), the Taxpayers Relief Act of 1997 (TRA 1997), and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA);

NOW, THEREFORE, BE IT RESOLVED that the modifications, corrections, and amendments reflected in Exhibit II-B are hereby adopted; and

BE IT FURTHER RESOLVED that the Chair of the Board of Trustees or such person designated by the Chair of the Board of Trustees may and hereby is instructed to execute any amendments or other documents or forms and to take any actions necessary or desirable in order to carry out the actions set forth in this resolution.

G. APPROVAL OF LIFE INSURANCE CARRIER AND RATES FOR 2003-2004

Vice President Brinker reported that the University currently offers two group life insurance programs through Canada Life Assurance Company. There are 69 employees and 73 retirees enrolled in the original program and 756 employees and 17 retirees enrolled in the revised program. Employees hired after February 1, 1988, are enrolled in the revised program.

Aon Consulting was asked to prepare specifications, solicit bids, and analyze proposals for renewal of the University's group life insurance program. Twenty-two life insurance companies were contacted and asked to present proposals. Competitive bids were received from four companies. Prudential Insurance Company of America submitted a proposal that would provide identical coverage to the University's current plan design with a three-year rate guarantee of \$.21/\$1,000 for life insurance and \$.02/\$1,000 for Accidental Death and Dismemberment insurance. Approval of the rate and plan proposal with Prudential Insurance Company of America will result in a cost savings to the University in 2003-2004 of approximately \$26,000.

On a motion by Mr. Hoehn, seconded by Mr. Will, the group life insurance program with Prudential Insurance Company of America with the proposed rates effective July 1, 2003, was approved.

H. APPROVAL OF LONG-TERM DISABILITY INSURANCE RATES FOR 2003-2004

Vice President Brinker reported that the contract for the University's Long-Term Disability Insurance Program with Teachers Insurance and Annuity Association (TIAA) is renewable as of July 1, 2003. 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 577 eligible employees.

Renewal rates from Teachers Insurance and Annuity Association (TIAA) reflect no increase for the twelve-month period beginning July 1, 2003. The current monthly premium is based on a percentage of Covered Monthly Salary (CMS) for the University:

	<u>2002-03</u> <u>Rates</u>	<u>2003-04</u> <u>Rates</u>
Income Premium	0.385% CMS	0.385% CMS
Annuity Premium	0.146% CMS	0.146% CMS

On a motion by Mrs. Kern-Raibley, seconded by Mr. Hoehn, the TIAA Long-Term Disability Insurance rates effective July 1, 2003, were approved.

I. APPROVAL OF CONCERN: EMPLOYEE ASSISTANCE PROGRAM PREMIUM RATES FOR 2003-2004

Vice President Brinker reported that the contract for the University's Employee Assistance Program (CONCERN: EAP) with Deaconess Service Corporation is renewable as of July 1, 2003. CONCERN: EAP is a comprehensive employee assistance program which provides assessment, short-term counseling, referral, and follow-up services for 825 employees and members of their immediate families. The utilization rate for calendar year 2002 was 7.1 percent.

The renewal rate of \$19.50 per employee per year reflects a rate hold for the twelve-month period beginning July 1, 2003. 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 Mrs. Torain, seconded by Mrs. Kern-Raibley, the renewal of the master policy with the Deaconess Service Corporation beginning July 1, 2003, was approved.

J. APPROVAL OF SUPPLEMENTAL LIFE INSURANCE CARRIER FOR 2003-2004

Vice President Brinker reported that the University offers employees and their dependents supplemental life insurance on a voluntary basis through TransAmerica Life Assurance Company. There are 192 employees enrolled in the program.

Aon Consulting was asked to prepare specifications, solicit bids, and analyze proposals for renewal of the University's supplemental life insurance program. Twenty-two life insurance companies were contacted and asked to present proposals. Competitive bids were received from four companies. Prudential Insurance Company of America agreed to match the University's plan design with an 18 percent reduction in cost to employees. The rates quoted per \$1,000 coverage based on age are for a three-year guaranteed period.

On a motion by Mrs. Kern-Raibley, seconded by Mrs. Torain, the supplemental life insurance program with Prudential Insurance Company of America effective July 1, 2003, was approved.

K. NEW BUSINESS – PRELIMINARY DISCUSSION OF 2003-2004 BUDGET

Mr. Huber reported that the Finance Committee, in its meeting prior to the board meeting, approved the mailing of annual salary letters to continuing employees prior to the board's approval of the budget in July.

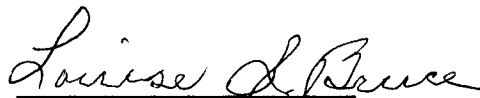
Vice President Ruble reported that the University's proposed budget for 2003-2004 will be presented to the Board of Trustees for approval at its meeting in July 2003, after the annual salary letters are mailed to continuing employees. He noted that the staff recommendation for a three percent pool for salary increases requires a budget with a fee increase of eight percent.

He presented a comparison of estimates from other four-year institutions in the state, and noted that the recommended fee increase will allow USI to remain the lowest-cost institution. An eight percent increase in fees represents an increase of \$144 per semester, the lowest dollar increase in the state. Vice President Ruble reported that while the State of Indiana has encouraged institutions of higher education to limit increases to five percent, the University believes that the recommended increase is reasonable and necessary, especially compared to other increases in the state, some of which include as much as a \$1,000 increase per year for first-time students.

President Hoops remarked that he believes the budget and fee increases that will be proposed to the Board of Trustees at its next meeting in July 2003 will allow for responsible fiscal management of the institution and will allow the University to continue the progress that has been made in recent years.

There being no further business, the meeting adjourned at 4:05 p.m.

Respectfully submitted,


Louise S. Bruce
Secretary

Abstract
Bachelor of Arts and Bachelor of Science in Early Childhood Education
University of Southern Indiana

Objectives

This program will add a teaching major in an area of growing need. The primary objective is to provide a program of study leading to a degree and credentials for working with young children, preschool to grade three. Early childhood education is a specific field of study, and employees of teachers of young children seek candidates prepared specifically in this field.

Clientele to Be Served

Clientele to be served will be: 1) undergraduate students preparing to teach; and 2) part-time, nontraditional students, many of whom will be teachers of young children in programs such as Head Start and other community-based preschool programs and who seek a baccalaureate degree in this teaching field.

Curriculum

The program requires 124 semester hours of course work, including the university core (50-51 hours), a professional education component that includes courses and experiences common to all teacher education courses of study at the University (32 hours), courses in the major (36 hours), and electives (5-6 hours). The program requires practical experience working with young children during a minimum of four semesters, three of which will involve intensive experience in classrooms. This includes student teaching, with placement in two early childhood education settings.

Employment Possibilities

Graduates of the program will be eligible for the Indiana teaching license, "elementary: primary," and thus eligible for employment in preschool (including kindergarten) through third grade. They also will be eligible to serve as teachers, lead teachers, and parent-teacher community liaisons in community-based preschool programs such as Head Start. There is a growing need for preschool teachers, and the need for kindergarten and primary grade teachers will likely increase over the next several years as more teachers reach retirement age.

Abstract
Bachelor of Arts in International Studies
University of Southern Indiana

Objectives

This program is designed to prepare graduates for work in a wide range of fields: teaching; business; government; international agencies; international nonprofit organizations; tourism; international media organizations; and international law.

Clientele to Be Served

Clientele will include undergraduate students preparing for careers such as those listed above. It is anticipated that many of these students will seek to enhance their undergraduate experience by double majoring in international studies and fields such as communications, foreign languages, history, political science, or economics.

Curriculum

The program is a 124-hour interdisciplinary course of study. It requires completion of a 39-hour International Studies curriculum, a 50-hour University Core curriculum, and 35 hours of open electives. Since six hours in the major may be cross-counted with the Core Curriculum, a total of 41 hours is actually available for students to complete a second major, one or more minors, and/or additional electives.

Employment Possibilities

Students receiving the B.A. degree with a major in International Studies will have a wide variety of employment opportunities: international business; government service; journalism; international service agencies; and tourism, for example. They also will be prepared to pursue graduate work in disciplines ranging from international law to tourism and hotel management.

UNIVERSITY OF SOUTHERN INDIANA Intellectual Property Policy

Introduction: The University of Southern Indiana encourages and supports scholarship and research, technical and creative efforts, artistic or literary works, and other academic and service activities and products of its faculty, staff, and students. As part of the mission of the university, employees and students produce new written works, inventions, art works, new or improved products or processes, multimedia materials, and many other expressions of research, creativity, and scholarly activity. These works often involve the rights and rewards of ownership, as well as responsibilities and a need for protection during development; these concerns affect the individuals involved as well as the university as a legal entity. Given the many changes on any campus (faculty and students, technology, funding, etc.), ongoing revision is needed to keep this policy current.

The following are the guiding principles of this policy:

- * The University encourages the discovery and development of original works and dissemination of knowledge as part of its academic mission.
- * The University recognizes that the development of original works and the rights to, benefits from, and responsibilities for these works may arise from a variety of efforts.
- * The University recognizes that ownership and benefit from intellectual property may be multi-faceted and strives to ensure appropriate benefits to all contributors.

Section 1: Applicability

This policy applies to all University of Southern Indiana faculty members (including adjunct faculty and visiting scholars), staff (including ancillary staff), students, and non-employees of the University engaged on a contracted basis.

Section 2: Ownership of Intellectual Property

To guide University employees in their understanding of ownership of intellectual property and to assist in establishing rights and interests in ownership, the following four categories have been established: a. original works by faculty or students not involving substantial use of University resources; b. works involving substantial use of University resources; c. externally sponsored works; d. works made for hire.

a. Original works by faculty (including adjunct faculty and visiting scholars) or students not involving substantial use of University resources

In keeping with academic tradition, original works by faculty and students, regardless of the form of expression, shall be the property of the creator(s), unless a specific contractual agreement regarding the work exists.

Faculty members own their original teaching and course materials. The University owns the course descriptions and syllabi for its programs and courses, to be used as needed for course catalogs, accreditation, decisions on student course transfers, and so on. For purposes of instructional continuity, creator(s) shall assign non-transferable, non-exclusive rights for teaching and course materials to the University for three years.

b. Original works by faculty (including adjunct faculty and visiting scholars) or students involving substantial use of University resources

Original works by faculty members (including adjunct faculty and visiting scholars) or students involving substantial use of University resources (see definition in section 6) shall be jointly owned by the creator(s) and the University. The rights to reproduce, distribute, make derivative works, and conduct public performances or displays of the work, are shared by the creator(s) and the University by mutual consent to the benefit of each.

c. Externally sponsored works by faculty members or students

Rights to intellectual property developed as a result of work supported by an external agency under a grant or contract shall be determined in accordance with the terms of the contract or agreement, or, in the absence of such terms, shall, (a) in the case of substantial use of University resources, become the joint property of the creator(s) and the University; or (b) in the absence of substantial use of University resources, become the property of the creator(s).

d. Works made for hire

Intellectual property defined as a work made for hire is owned by the University. (See statutory definition in section 6.) If the University so chooses, it may release a work made for hire back to the creator. For reasons of academic freedom original works by faculty are not considered works made for hire, unless a written contract exists. Works created by staff on their own time are not works made for hire.

Section 3: Income from Intellectual Property

Income related to original works is the property of the creator(s). The creator(s) shall bear all expenses related to protection, patent and licensing, or sale of the materials. Net income received by the University through the sale, licensing, leasing or use of intellectual property produced through substantial University support will be shared with the creator(s) as described in this section. Net income is to be interpreted as that amount of money cumulatively received after deduction of expenses connected with developing, securing and maintaining the copyright, patent, or license. Expenses include the creator's time and efforts spent developing and securing the copyright, patent, or license.

The University strongly recommends that a specific contractual agreement for distribution of income be negotiated prior to joint commitment seeking copyright, patent, or license. Where intellectual property is conceived jointly by two or more creators, then each of the co-creators and the University shall share in the net income in such proportions as the joint creators and the appropriate University administrator(s) agree. In the absence of a contractual agreement, the University will distribute net income according to the following schedule: 50% of net income to the creator(s) and 50% of net income to the University. The University's share shall be divided equally by the academic department or unit of origin and the University School or other appropriate administrative unit.

Section 4: Fair Use of Intellectual Property

All members of the University community, including faculty, staff, and students, must comply with laws protecting U.S. copyright owners. Copyright protection applies to creative works including most text, videos, music, images, motion pictures, and computer software; protection usually applies even if the work lacks a copyright notice and is not registered with the U.S. Copyright Office. Copying, digitizing, uploading, or transmitting copyrighted materials constitutes infringement unless the work is in the public domain, or the user has permission from the copyright owner, or the user is a faculty member acting within fair use guidelines, or the use is identified under one of the specific, statutory exceptions. Guidelines for the fair use of copyrighted works are available on the University of Southern Indiana's Web site.

Section 5: Right of Appeal

In the absence of a specific contractual agreement, in cases where rights and/or equities are in dispute, there is a right of appeal. Individuals shall follow the established procedures for campus appeal as published in the University Handbook. Faculty shall follow "Procedures for Amelioration and Reconciliation of a Grievance." Administrators or staff shall follow "Procedures for Conflict Resolution." Students shall follow "Student Academic Grievance Procedure." The Provost and Vice President for Academic Affairs shall provide oversight for this policy.

Section 6: Definitions

Intellectual Property: For the purpose of this policy, intellectual property includes copyrightable materials, patents, trademarks, and servicemarks.

Copyrightable Material: Copyrightable Materials are materials fixed in any tangible medium including electronic and include, but are not limited to, the following examples:

- Books, journal articles, reports, texts, glossaries, bibliographies, study-guides, laboratory manuals, syllabi, tests and proposals;
- Lectures, musical or dramatic compositions, and unpublished scripts;
- Photographs, films, film strips, charts, transparencies, and other visual aids;
- Video and audio tapes and cassettes;
- Live video and audio broadcasts;

Sound recordings;
Programmed instructional materials, (including Web-based courses or materials);
Computer programs (software);
Choreographic work and pantomimes;
Graphic and sculpture works; works of art;
Drawings and plastic works of a scientific or technical character;
Architectural plans and structures;
Dress and fabric designs.

Substantial Use of University Resources: Substantial University resources are those not routinely available to employees for the development or production of traditional works. Examples of such resources include the assignment of additional teaching or graduate assistants, use of specialized production facilities and personnel, use of multimedia labs and associated personnel, clerical support that exceeds what is routine, the purchase of additional supplies or equipment, the allocation of specific additional travel or other funds, the assignment of additional space or facilities, etc. Resources not considered substantial, i.e., "standard" resources, include the following: (a) payment of salary; (b) provision of office and/or laboratory space, including general media laboratory space and general administrative support; (c) use of library resources; (d) reassigned time or sabbatical leave of absence; or (e) internal grants or seed money. Substantial use is defined as the use of resources beyond the standard.

Syllabus: A syllabus is the descriptive overview of an official University course. Syllabi usually include, but are not limited to, the following: a course description, course objectives, required text(s), method of evaluation and grading and an outline of course topics, reading assignments including assignment and exam due dates. Faculty may include additional information that is not required, such as Web links, suggested reading, study guides for tests, lecture notes, handouts etc.

Work made for hire: Work made for hire is work prepared by an employee within the scope of his or her employment or a work specially ordered or commissioned in certain specified circumstances. When a work qualifies as a work made for hire, the employer or commissioning party is considered to be the author. Section 101 of the copyright law defines a "work made for hire" as " a work prepared by an employee within the scope of his or her employment; or 2) a work specially ordered or commissioned for use as a contribution to a collective work, as part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer materials for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire." See the statutory definition in Section 101 of the 1976 Copyright Act.

March 2003

UNIVERSITY OF SOUTHERN INDIANA

SUMMARY OF 2003-2005 BIENNIAL BUDGET

The Indiana General Assembly passed a two-year, \$22.7 billion state budget early Sunday, April 27. The House approved the new state spending plan for 2003-2005 by a margin of 61-37 while the Senate voted in favor of the plan by a margin of 34-16.

The state's two-year budget includes reduced funding for increases in enrollment, partial restoration of reductions in base funding in FY03, funding for new initiatives linked to economic development, and slight inflationary increases for personal services, supplies and expenses, and student financial aid. A new category was added to the budget to include funding for research initiatives. The capital budget for higher education includes bonding authorization for 20 new buildings worth \$280 million and funding for the repair and rehabilitation of facilities at 25% of the formula.

Student financial aid received through the State Student Assistance Program was capped at \$4,700 for students attending a public university and at \$9,100 for students attending a private college or university.

The following is a summary of the 2003-2005 Biennial Budget for the University of Southern Indiana.

2003-2005 Budget Highlights

Operating Appropriation

Enrollment Change Funding

Enrollment change funding is provided to address increases in enrollment for Indiana students. Enrollment change funded at \$3,300 per Hoosier FTE at 50% in FY04 and 90% in FY05. USI will receive approximately \$1.8 million during the biennium for enrollment change.

Restoration of Base Budget

Budget restores approximately \$485,000 or 50% of the operating base that was reduced by the Governor in FY03 through the Deficit Budget Management Plan.

Plant Expansion Funding

Provides approximately \$794,000 in funding beginning in FY04 for the operation of the new Science and Education Center which will open in summer 2003.

Maintenance of Current Programs

Includes .5% inflationary increase for personal services, supplies and expenses, and student aid in FY05.

Economic Development Programs

Funds new initiatives which would have an impact on economic development in the state. USI will receive approximately \$850,000 over the two-year period to fund Engineering Equipment and Program Needs.

Capital Appropriation

Facilities

Provides \$29 million in bonding authorization for construction of a new library.

Provides \$9.75 million in authorization only for renovation and expansion of the University Center and \$3 million for construction of a parking garage.

Repair and Rehabilitation

Funding for general R&R is funded at 25% of the funding formula. USI's appropriation is approximately \$400,000 for the biennium.

Line Item Appropriations

Funding for the line item appropriations for Historic New Harmony and for Lincoln Amphitheatre did not receive any increase in funding. Both line item appropriations were held at the reduced FY03 base.

Summary

USI's operating appropriation (not including R&R funds, debt service appropriation, or line item appropriations) will increase from the FY03 reduced operating appropriation of \$30.5 million in FY03 to \$32.7 in FY04 and \$33.7 in FY05.

Given the current fiscal situation in the State of Indiana, the University is grateful to the Indiana General Assembly, the Commission for Higher Education, and the Governor for their support during these difficult economic times.

UNIVERSITY OF SOUTHERN INDIANA

SUMMARY OF 2003-2005 BIENNIAL BUDGET

<u>Operating Budget Appropriation</u>	<u>2003-04</u> <u>Increase</u>	<u>2004-05</u> <u>Increase</u>
• Base Adjustment - Enrollment Change Funded at \$3,300 per Hoosier FTE – 50% FY04 and 90% FY05	\$ 645,150	\$ 516,120
• Plant Expansion	\$ 793,827	
• One-half Base Restoration	\$ 485,633	
• .5% increase for Personal Services and Benefits in FY05		\$ 214,048
• .5% increase for Supplies and Expenses in FY05		\$ 64,183
• .5% increase in Institutional Student Aid in FY05		\$ 10,150
• Economic Development – Engineering Equipment and Program Needs	\$ 250,000	\$ 350,000
Total	\$ 2,174,610	\$ 1,154,501

Operating Budget Appropriation for 2003-2005

• Operating Appropriation	Total	\$32,690,043	\$33,696,185
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Capital Budget Appropriation for 2003-2005 Biennium

• Repair and Rehabilitation			
– Building R&R Formula	\$ 115,332	\$ 115,332	
– Utilities R&R Formula	\$ 84,875	\$ 84,875	
Building and Utilities R&R Formula is 25% of the funding formula			
Total	\$ 200,207	\$ 200,207	
• Facilities			
– Bonding Authorization for New Library	\$29,084,830		
– Bonding Authorization Only for University Center Renovation	\$ 9,750,000		
– Bonding Authorization Only for Parking Garage	\$ 3,000,000		

Line Item Appropriations for 2003-2005 Biennium

• Historic New Harmony	\$ 356,216	\$ 356,216
• Lincoln Amphitheatre	\$ 238,562	\$ 238,562
0% increase on reduced FY03 base in line item appropriations		
Total	\$ 594,778	\$ 594,778

UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2003-2005
OPERATING BUDGET REQUEST SUMMARY

	2003-2004						2004-2005					
	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
EXPENDITURES												
Expenditure Base	57,676,184	57,676,184	57,676,184	56,861,852	56,861,852	56,861,852	61,486,799	59,516,203	56,861,852	58,478,267	57,617,659	59,036,462
Base Adjustments												
A. Enrollment Change	1,564,500	967,725	0	645,150	516,120	645,150	0	322,575	0	322,575	387,090	516,120
B. Plant Expansion	969,607	793,827	0	0	0	793,827	0	0	0	793,827	793,827	0
C. Other	0	78,467	(814,332)	971,265	(10,313)	485,633	0	78,467	0	0	0	0
Subtotal Base Adjustments	2,534,107	1,840,019	(814,332)	1,616,415	505,807	1,924,610	0	401,042	0	1,116,402	1,180,917	516,120
Debt Service	1,868,973	1,868,973	1,868,973	1,868,973	1,868,973	1,868,973	(2,751)	(2,751)	(2,751)	(2,751)	(2,751)	(2,751)
Reallocation of Student Fees	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	2,751	2,751	2,751	2,751	2,751	2,751
Subtotal Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure Base	60,210,291	59,516,203	56,861,852	58,478,267	57,367,659	58,786,462	61,486,799	59,917,245	56,861,852	59,594,669	58,798,576	59,552,582
Percent Change	4.4%	3.2%	-1.4%	2.8%	0.9%	3.4%	0.0%	0.7%	0.0%	1.9%	2.0%	0.9%
Maintenance for Current Programs												
A. Personal Services 2% 0%* 1%** .5%***	854,690	0 *	0 *	0 *	0 *	0 *	871,784	0 *	0 *	428,095 **	428,095 **	214,048 ***
B. Supplies & Expense 1% 0%* .5%***	128,117	0 *	0 *	0 *	0 *	0 *	129,396	0 *	0 *	128,367	128,367	64,183 ***
C. Student Aid 2% 0%* 1%** .5%***	40,601	0 *	0 *	0 *	0 *	0 *	41,413	0 *	0 *	20,300 **	20,300 **	10,150 ***
Subtotal Maintenance for Current Programs	1,023,408	0	0	0	0	0	1,042,593	0	0	576,762	576,762	288,381
Quality Improvement												
A. Engineering Equipment and Program Needs	253,100	0	0	0	250,000	250,000	326,800	0	0	0	350,000	350,000
Subtotal Quality Improvement	253,100	0	0	0	250,000	250,000	326,800	0	0	0	350,000	350,000
Total Budget Increases	3,810,615	1,840,019	(814,332)	1,616,415	755,807	2,174,610	1,369,393	401,042	0	1,693,164	2,107,679	1,154,501
Total Expenditure Request	61,486,799	59,516,203	56,861,852	58,478,267	57,617,659	59,036,462	62,856,192	59,917,245	56,861,852	60,171,431	59,725,338	60,190,963
Percent Change	6.6%	3.2%	-1.4%	2.8%	1.3%	3.8%	2.2%	0.7%	0.0%	2.9%	3.7%	2.0%

UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2003-2005
OPERATING BUDGET REQUEST SUMMARY

	2003-2004					2004-2005						
	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
REVENUE												
Student Fee Base	22,353,226	22,353,226	22,353,226	22,353,226	22,353,226	22,353,226	21,077,688	20,484,253	20,484,253	20,484,253	20,484,253	20,484,253
Fee Increase 2% 0%* 1%** .5%***	593,435	0	0	0	0	0	605,304	0	0	296,718 **	296,718 **	148,359 ***
Transfer to Debt Service	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	(1,868,973)	2,751	2,751	2,751	2,751	2,751	2,751
Total Student Fees	21,077,688	20,484,253	20,484,253	20,484,253	20,484,253	20,484,253	21,685,743	20,487,004	20,487,004	20,783,722	20,783,722	20,635,363
Operating Appropriation Base	30,515,433	30,515,433	30,515,433	30,515,433	30,515,433	30,515,433	34,546,945	33,169,784	30,515,433	32,131,848	31,271,240	32,690,043
Technology Funds Per HEA 1196	814,332	814,332	814,332	0	0	0	0	0	0	0	0	0
Appropriation Increase	3,217,180	1,840,019	(814,332)	1,616,415	755,807	2,174,610	764,089	401,042	0	1,396,446	1,810,961	1,006,142
Total Operating Appropriation	34,546,945	33,169,784	30,515,433	32,131,848	31,271,240	32,690,043	35,311,034	33,570,826	30,515,433	33,528,294	33,082,201	33,696,185
Percent Change in Operating Appropriation	13.2%	8.7%	0.0%	5.3%	2.5%	7.1%	2.2%	1.2%	0.0%	4.3%	5.8%	3.1%
Fee Replacement Appropriation Base	3,993,193	3,993,193	3,993,193	3,993,193	3,993,193	3,993,193	5,862,166	5,862,166	5,862,166	5,862,166	5,862,166	5,862,166
Fee Replacement Change	1,868,973	1,868,973	1,868,973	1,868,973	1,868,973	1,868,973	(2,751)	(2,751)	(2,751)	(2,751)	(2,751)	(2,751)
Library/Classroom A&E	0	0	0	0	0	0	0	0	0	0	0	0
Total Fee Replacement Appropriation	5,862,166	5,862,166	5,862,166	5,862,166	5,862,166	5,862,166	5,859,415	5,859,415	5,859,415	5,859,415	5,859,415	5,859,415
Total State Appropriation	40,409,111	39,031,950	36,377,599	37,994,014	37,133,406	38,552,209	41,170,449	39,430,241	36,374,848	39,387,709	38,941,616	39,555,600
Percent Change in Total State Appropriation	14.4%	10.5%	3.0%	10.1%	7.6%	11.7%	1.9%	1.0%	0.0%	3.7%	4.9%	2.6%
Total Revenue Request	61,486,799	59,516,203	56,861,852	58,478,267	57,617,659	59,036,462	62,856,192	59,917,245	56,861,852	60,171,431	59,725,338	60,190,963

UNIVERSITY OF SOUTHERN INDIANA

COMPARISON OF REQUEST FOR BUDGET INCREASES WITH INDIANA COMMISSION FOR HIGHER EDUCATION, STATE BUDGET AGENCY, HOUSE PASSED BUDGET, SENATE PASSED BUDGET, AND GENERAL ASSEMBLY PASSED BUDGET

	2003-2004					2004-2005						
	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
OPERATING BUDGET												
Base Adjustments												
Enrollment Change	1,564,500	967,725	0	645,150	516,120	645,150	0	322,575	0	322,575	387,090	516,120
Plant Expansion	969,607	793,827	0	0	0	793,827	0	0	793,827	793,827	0	0
Other	0	78,467	(814,332)	971,265	(10,313)	485,633	0	78,467	0	0	0	0
Maintenance for Current Programs												
Personal Services 2% 0%* 1%** .5%***	854,690	0 *	0 *	0 *	0 *	0 *	871,784	0 *	0 *	428,095 **	428,095 **	214,048 ***
Supplies & Expense 1% 0%* .5%***	128,117	0 *	0 *	0 *	0 *	0 *	129,396	0 *	0 *	128,367	128,367	64,183
Student Aid 2% 0%* 1%** .5%***	40,601	0 *	0 *	0 *	0 *	0 *	41,413	0 *	0 *	20,300 **	20,300 **	10,150 ***
Quality Improvement												
Engineering Equipment and Program Needs	253,100	0	0	0	250,000	250,000	326,800	0	0	0	350,000	350,000
Total	3,810,615	1,840,019	(814,332)	1,616,415	755,807	2,174,610	1,369,393	401,042	0	1,693,164	2,107,679	1,154,501

UNIVERSITY OF SOUTHERN INDIANA

COMPARISON OF REQUEST FOR BUDGET INCREASES

WITH INDIANA COMMISSION FOR HIGHER EDUCATION, STATE BUDGET AGENCY, HOUSE PASSED BUDGET, SENATE PASSED BUDGET, AND GENERAL ASSEMBLY PASSED BUDGET

		2003-05				
		Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
ECONOMIC DEVELOPMENT PROPOSAL						
	<u>Request</u>					
Engineering Equipment and Program Needs	0	850,000	0	0	0	0
		Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
		<u>Request</u>				
CAPITAL BUDGET R&R AND TECHNOLOGY						
General R&R	922,660	852,660	230,664	230,664	297,096	230,664
Infrastructure	678,996	678,996	169,750	169,750	218,636	169,750
Total	1,601,656	1,531,656	400,414	400,414	515,732	400,414
		Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
		<u>Request</u>				
CAPITAL BUDGET FACILITIES						
Library/Classroom Expansion - Bonding Authorization	29,084,000	25,000,000	0	29,084,830	29,084,830	29,084,830
University Center Renovation - Authorization Only	9,750,000	9,750,000	0	9,750,000	9,750,000	9,750,000
Parking Garage - Authorization Only	0	0	0	0	0	3,000,000
Total	38,834,000	34,750,000	0	38,834,830	38,834,830	41,834,830
		Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
		<u>Request</u>				
LINE ITEM INITIATIVES						
Historic New Harmony	755,900	752,650	712,432	769,886	712,432	712,432
Lincoln Amphitheatre	512,291	504,058	477,124	515,601	477,124	477,124
Total	1,268,191	1,256,708	1,189,556	1,285,487	1,189,556	1,189,556

UNIVERSITY OF SOUTHERN INDIANA

COMPARISON OF REQUEST FOR BUDGET INCREASES
WITH INDIANA COMMISSION FOR HIGHER EDUCATION, STATE BUDGET AGENCY, HOUSE PASSED BUDGET, SENATE PASSED BUDGET, AND GENERAL ASSEMBLY PASSED BUDGET

ECONOMIC DEVELOPMENT PROPOSAL	Request	General Assembly Passed Budget		
	2003-05	2003-04	2004-05	Total
Engineering Equipment and Program Needs	0	0	0	0

CAPITAL BUDGET R&R AND TECHNOLOGY	Request	General Assembly Passed Budget			Comments
	2003-05	2003-04	2004-05	Total	
General R&R	922,660	115,332	115,332	230,664	25% of the total formula
Infrastructure	678,996	84,875	84,875	169,750	25% of the total formula
Total	1,601,656	200,207	200,207	400,414	

CAPITAL BUDGET FACILITIES	Request	General Assembly Passed Budget	
	2003-05	2003-04	Comments
Library/Classroom Expansion - Bonding Authorization	29,084,000	29,084,830	
University Center Renovation - Authorization Only	9,750,000	9,750,000	
Parking Garage - Authorization Only	0	3,000,000	
Total	38,834,000	41,834,830	

LINE ITEM INITIATIVES	Request	General Assembly Passed Budget			Comments
	2003-05	2003-04	2004-05	Total	
Historic New Harmony	755,900	356,216	356,216	712,432	0% increase on reduced 02-03 base in 03-04 and 0% increase in 04-05
Lincoln Amphitheatre	512,291	238,562	238,562	477,124	
Total	1,268,191	594,778	594,778	1,189,556	

Proposed Finance/Audit Committee Responsibilities

The Board of Trustees will assign audit-related responsibilities to the Finance/Audit Committee as follows:

1. The Finance/Audit Committee will approve the initial mission statement and charter of the internal audit function of the University and update or revise it as needed.
2. The Finance/Audit Committee will provide a structured reporting line for internal audit and facilitate the maintenance of the independence of the internal audit function.
3. At least annually, the Finance/Audit Committee will meet with the director of Internal Audit to:
 - a. discuss and approve an annual work plan of the internal audit function;
 - b. review internal audit activities and reports of previous periods;
 - c. assess management's responses to recommendations contained in audit reports;
and
 - d. consider the adequacy of the University's financial reporting, accounting, and internal control procedures.
4. The director of Internal Audit may contact the chair of the Finance/Audit Committee to discuss emergency items. A decision will be made at that time whether to convene the full Finance/Audit Committee.
5. The Finance/Audit Committee will periodically review and confirm the organizational structure of the internal audit function.
6. The Finance/Audit Committee will be encouraged to review the scope of the external auditors' (State Board of Accounts) examination periodically and to request clarification of any areas not fully understood.
7. The chair of the Finance/Audit Committee will be invited to attend the annual financial audit exit conference and the federal audit exit conference conducted by the State Board of Accounts. Many times both exit conferences are held simultaneously.
8. The Finance/Audit Committee will perform such other functions as may from time to time be assigned to the committee by the Board of Trustees.

**IRS SECTION 457 TECHNICAL CORRECTIONS TO THE UNIVERSITY OF SOUTHERN INDIANA
DEFERRED COMPENSATION PLAN**

2.01 is amended effective as of September 1, 1999, to insert the phrase "The Chair of" at the beginning of the first sentence.

4.04 is added as to distributions made after December 31, 2001, and to the extent direct rollovers of plan distributions may be allowed in the future so that an eligible retirement plan shall also include an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of an eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.

4.05 is added so that the plan may accept participant rollover contributions and/or direct rollovers of distributions made after December 31, 2001, effective January 1, 2002, from an eligible plan described in section 457 which is maintained by an eligible employer described in Code section 457(e)(1).

4.06 is added effective as of December 31, 2001, so that if the value of a participant's non-forfeitable account balance is \$5,000 or less upon separation from service, the plan shall immediately distribute the participant's entire non-forfeitable account balance.