

**AGENDA
SUPPLEMENTAL INFORMATION
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 2, 2010

SECTION I – GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF JULY 8, 2010, MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. PRESIDENT’S REPORT**
- D. REVIEW AND ACCEPTANCE OF 2010 CONFLICT OF INTEREST DISCLOSURE STATEMENTS**

Indiana Code 35-41-1-3 describes conflict of interest on the part of a public servant and provides for the filing of a disclosure statement regarding possible conflicts of interest. The statement must be reviewed by the Board of Trustees and forwarded to the State Board of Accounts.

The University requires statements of trustees and senior staff, including those with no potential conflicts of interest to disclose. A list of individuals who have submitted a *Possible Conflict of Interest Disclosure Statement* for calendar year 2010 is in Exhibit I-A.

Approval to certify the Board of Trustees has reviewed and accepted the disclosure statements in Exhibit I-A is recommended.

SECTION II – FINANCIAL MATTERS

A. APPROVAL OF THE 2011-2013 OPERATING BUDGET REQUEST

The Operating Budget Request for 2011-2013 was submitted to the Indiana Commission for Higher Education, the State Budget Agency, and the Indiana General Assembly on August 27, 2010. It was prepared under the instructions of the State Budget Agency and the Indiana Commission for Higher Education. Exhibit II-A is a summary of the request.

Approval of the 2011-2013 Operating Budget Request in Exhibit II-A is recommended.

B. APPROVAL OF RECOMMENDATION TO TRANSFER FUNDS TO VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST

The VEBA (Voluntary Employees' Benefit Association) Trust Investment Policy requires approval of the Board of Trustees for a transfer of funds to the VEBA Trust.

Approval to transfer \$500,000 to the VEBA Trust is recommended.

C. APPROVAL OF 2011-2012 HOUSING RATES

Approval of the following 2011-2012 housing rates is recommended.

| | | <u>CURRENT RATE</u> | <u>PROPOSED RATE</u> | <u>EFFECTIVE DATE</u> |
|--|--------------------------|-------------------------|--------------------------|---------------------------|
| <u>FALL OR SPRING SEMESTER</u> | | | | |
| <u>McDONALD or O'DANIEL APARTMENT</u> | | | | |
| Two Bedroom: | Two students per bedroom | \$1,780 | \$1,870 | 7-01-11 |
| | One student per bedroom | 3,185 | 3,345 | 7-01-11 |
| One Bedroom: | Two students | 2,150 | 2,258 | 7-01-11 |
| | One student | 3,995 | 4,195 | 7-01-11 |
| <u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u> | | | | |
| One and Two Bedroom: | Two students per bedroom | \$1,780 | \$1,870 | 7-01-11 |

SUMMER SESSION

Summer session housing rates are pro-rated to fall and spring semester rates.

D. APPROVAL OF 2011-2012 MEAL PLAN RATES

Students who live in residence halls (Governors, Newman, O'Bannon, and Ruston) are required to purchase a resident meal plan. Three plans (Red, White, and Blue Eagle) offer different combinations of buffet meals in The Loft and discretionary spending at other dining venues on campus. The proposed rate allows for normal increases in food and labor costs.

| | | <u>CURRENT RATE</u> | <u>PROPOSED RATE</u> | <u>EFFECTIVE DATE</u> |
|---------------------------------------|-------------------------------------|-------------------------|--------------------------|---------------------------|
| <u>FALL OR SPRING SEMESTER</u> | | | | |
| | Red, White, or Blue Eagle Meal Plan | \$1,680 | \$1,730 | 7-01-11 |

Students who live in apartments (McDonald or O'Daniel) are required to purchase \$50 in Munch Money for use in any dining venue on campus.

Approval of the proposed meal plan rates for 2011-2012 is recommended.

E. REPORT ON CONSTRUCTION CHANGE ORDERS APPROVED BY THE VICE PRESIDENT FOR BUSINESS AFFAIRS

A summary of construction change orders approved by the Vice President for Business Affairs (Exhibit II-B) will be reviewed.

F. UPDATE ON CURRENT CONSTRUCTION PROJECTS

A report will be presented on current construction projects. Exhibit II-C includes a summary of the cost and funding sources for each project.

SECTION III – PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

Approval of the following personnel actions is recommended.

1. Retirement

Professor of Psychology Joseph J. Palladino, in accordance with the early retirement policy, has requested retirement effective July 1, 2011, including leave with pay for the period January 3, 2011, through May 8, 2011. Retirement service pay based on 30 years of service to the University will be paid as of June 30, 2011.

2. Emeritus Status

It is recommended that the following faculty member be retired officially with the effective date shown and that the appropriate emeritus title, as indicated, be conferred:

Professor Emeritus of Psychology Joseph J. Palladino, 30 years at USI, effective July 1, 2011.

**Possible Conflict of Interest Disclosure Statements
Filed for 2010**

| DATE | NAME/ TITLE | VENDOR/ CONTRACTOR | DESCRIPTION OF FINANCIAL INTEREST |
|----------|--|-----------------------|--------------------------------------|
| 08-19-10 | Michael K. Aakhus Interim Dean – College of Liberal Arts | None | N/A |
| 08-19-10 | Linda L. Cleek Interim Dean – Extended Services | None | N/A |
| 08-19-10 | Ronald S. Rochon Provost and Vice President for Academic Affairs | None | N/A |
| 08-19-10 | Todd A. Wilson Assistant Vice President for Marketing and Communications | None | N/A |

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2011-2013
REQUEST SUMMARY**

| | <u>2011-12</u> | <u>2012-13</u> |
|--|-------------------|-------------------|
| <u>EXPENDITURES</u> | | |
| Expenditure Base | 86,170,595 | 89,866,685 |
| Base Adjustments | | |
| A. Successfully Completed Credit Hours | 2,459,050 | 0 |
| B. Dual Credit Successfully Completed Credit Hours | 336,600 | 0 |
| C. Change in Degree Completion | 645,000 | 0 |
| D. On-Time Degree Completion | 35,440 | 0 |
| E. Low Income Degree Completion | 220,000 | 0 |
| Subtotal Before Debt Service | 3,696,090 | 0 |
| F. Debt Service | 1,027,093 | 1,299,172 |
| Reallocation of Student Fees | (1,027,093) | (1,299,172) |
| Subtotal Debt Service | 0 | 0 |
| Total Expenditure Base | 89,866,685 | 89,866,685 |
| Maintenance for Current Programs | | |
| A. Personal Services 0% | 0 | 0 |
| B. Supplies & Expense 0% | 0 | 0 |
| C. Student Aid 0% | 0 | 0 |
| Subtotal Maintenance for Current Programs | 0 | 0 |
| Quality Improvement | 0 | 0 |
| Total Budget Increases | 3,696,090 | 0 |
| Total Expenditure Request | 89,866,685 | 89,866,685 |
| <u>REVENUE</u> | | |
| Student Fee Base | 35,878,711 | 34,851,618 |
| Fee Increase 0% | 0 | 0 |
| Transfer to Debt Service | (1,027,093) | (1,299,172) |
| Total Student Fees | 34,851,618 | 33,552,446 |
| Operating Appropriation Base | 39,172,365 | 42,868,455 |
| Appropriation Increase | 3,696,090 | 0 |
| Total Operating Appropriation | 42,868,455 | 42,868,455 |
| Fee Replacement Appropriation Base | 11,119,519 | 12,146,612 |
| Fee Replacement Change | 1,027,093 | 1,299,172 |
| Total Fee Replacement Appropriation | 12,146,612 | 13,445,784 |
| Total State Appropriation | 55,015,067 | 56,314,239 |
| Total Revenue Request | 89,866,685 | 89,866,685 |

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET REQUEST 2011-2013
CONSOLIDATED PRIORITIZATION**

| <u>CONSOLIDATED EXPENDITURE BASE</u> | 2011-12 | 2012-13 |
|---|-------------------|----------------|
| Operating Expenditure Base | 75,051,076 | |
| Fee Replacement Appropriation | 11,119,519 | |
| TOTAL | 86,170,595 | |
| | | |
| <u>PRIORITIZATION OF INCREASES</u> | | |
| A. Basic Needs | | |
| 1. Maintenance for Current Programs | 0 | 0 |
| 2. Successfully Completed Credit Hours | 2,459,050 | 0 |
| 3. Dual Credit Successfully Completed Credit Hours | 336,600 | 0 |
| 4. Change in Degree Completion | 645,000 | 0 |
| 5. On-Time Degree Completion | 35,440 | 0 |
| 6. Low Income Degree Completion | 220,000 | 0 |
| Total Basic Needs | 3,696,090 | 0 |
| | | |
| B. Quality Improvement Initiatives | 0 | 0 |
| | | |
| C. Line Item Appropriation Request | | |
| 1. Historic New Harmony | 0 | 0 |
| Total Line Item Appropriation Request | 0 | 0 |
| | | |
| D. Capital Request | | |
| 1. Special Repair and Rehabilitation Funding - Classroom Renovation/Expansion Project State Funding Bonding Authorization | 15,000,000 | |
| 2. General Repair & Rehabilitation and Infrastructure Funding | 2,425,000 | |
| Total Capital Request | 17,425,000 | |

UNIVERSITY OF SOUTHERN INDIANA

PRIORITIES OF 2011-2013 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS

The 2011-2013 Operating Budget Request and Capital Improvement Budget Request for the University of Southern Indiana were developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, and social, educational, governmental, and health agencies.

The University faces many challenges as it continues to operate with the lowest tuition and fees of all four-year public universities in the state and the lowest appropriation per-FTE-Hoosier student of the four-year residential campuses. The financial support the University receives from the state is critical to provide the programs, facilities, and support services necessary to fund increases in enrollment and the educational requirements for a high quality educational experience.

The University of Southern Indiana seeks support from the State of Indiana for its 2011-2013 Operating and Capital Improvement Budget Requests to fully fund:

- *Successfully Completed Credit Hours*
- *Dual Credit Successfully Completed Credit Hours*
- *Change in Degree Completion*
- *On-Time Degree Completion*
- *Low Income Degree Completion*
- *Special Repair and Rehabilitation Funding for Three Academic Facilities*
- *Repair and Rehabilitation Funding*

To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2011-2013 Operating and Capital Improvement Budget Requests.

INSTITUTIONAL REQUEST

Full funding of the University of Southern Indiana's 2011-2013 Operating Budget Request is important to the ongoing growth and development of the campus. The University's budget request was developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, and social, educational, governmental, and health agencies.

The University has prioritized the needs it believes are required to maintain current programs, sustain the current pattern of enrollment and support increases in enrollment, and address critical state and regional needs. Details of the operating budget request are included in the *2011-2013 Operating Budget Request* and the supporting narrative and budget schedules.

BASIC NEEDS

| | 2011-2012 | 2012-2013 |
|--|-----------------------|----------------------|
| | <u>Request</u> | <u>Change</u> |
| Successfully Completed Credit Hours | \$2,459,050 | 0 |
| Dual Credit Hours Successfully Completed Credit Hours | \$ 336,600 | 0 |
| Change in Degree Completion | \$ 645,000 | 0 |
| On-Time Degree Completion | \$ 35,440 | 0 |
| Low Income Degree Completion | <u>\$ 220,000</u> | <u>0</u> |
| Total Base Adjustment | \$3,696,090 | 0 |

- **Successfully Completed Credit Hours** - In 2009-2011, Indiana adopted the successfully completed credit hours performance funding incentive. The new formula was partially funded in 2009-2011 with the expectation it would be completely phased in during the 2011-2013 biennium. The University requests funding at \$4,675 per-FTE-Hoosier student based on the four-year rolling average for an additional 526 full-time equivalent (FTE) students who successfully completed credit hours.

Because of growth in enrollment, an increase in the number of successfully completed credit hours, and because the incentive formulae have not been fully funded, the University's appropriation per-FTE-Hoosier student continues to fall

behind. The funds provided through the incentive formulae are essential to provide the instruction and support needed for a quality educational experience for USI students.

- **Dual Credit Successfully Completed Credit Hours** - Interest in opportunities for students to earn college credit while still in high school has grown significantly in recent years. More school corporations want to partner with higher education institutions to offer dual credit. State legislation has mandated the availability of dual credit coursework in high schools throughout Indiana. Dual credit successfully completed credit hours are reported separately in the 2011-2013 budget schedules. The University requests funding for an additional 72 full-time equivalent (FTE) students who successfully completed dual credit hours.
- **Change in Degree Completion** - In 2007-2009, Indiana adopted the degree completion performance funding incentive. From 2003-2004 to 2008-2009, the average number of baccalaureate degrees conferred increased from 992 to 1,164. The University requests funding at \$5,000 for an additional 129 degrees conferred based on the two-year average.
- **On-Time Degree Completion** - In 2007-2009, Indiana adopted the time to degree performance funding incentive. From 2003-2004 to 2005-2006, the number of baccalaureate degrees conferred in four years increased by .4 percent. The University requests funding at \$5,000 for an additional 24 degrees conferred in four years based on the percent change in cohort graduation rate.
- **Low Income Degree Completion** - In 2009-2011, a new performance incentive was partially funded for change in number of degrees awarded to low income students receiving Pell Grants. From 2005-2006 to 2008-2009, the average number of baccalaureate degrees conferred increased from 221 to 265. The University requests funding at \$5,000 for an additional 44 degrees conferred based on the two-year average.
- **Maintenance for Current Programs** - The 2011-2013 Operating Budget Instructions request that no assumption be made for Maintenance/Price increases for the biennium. It is important to note that even though no request was made for increased operating costs, the University continues to experience increased costs. In the University's 2011-2013 Operating Budget Request, the University seeks funding to maintain current programs and implement new initiatives during the biennium.

LINE ITEM APPROPRIATION REQUEST

The University's 2011-2013 Operating Budget Request includes one line item appropriation for Historic New Harmony.

| Historic New Harmony | 2011-2012 | 2012-2013 |
|-----------------------------|-----------------------|-----------------------|
| | <u>Request</u> | <u>Request</u> |
| Base Appropriation | \$553,428 | \$553,428 |

The University requests continued funding of the line item appropriation for Historic New Harmony in the 2011-2013 biennium to support the preservation, education, and interpretive programs of this state and national treasure.

CAPITAL BUDGET REQUEST

The University of Southern Indiana requests bonding authorization for one capital project and full funding of the General Repair and Rehabilitation and Infrastructure formulas during the 2011-2013 biennium.

| | |
|--|--------------|
| Special Repair and Rehabilitation Project | \$15,000,000 |
|--|--------------|

The University requests \$15,000,000 in Special Repair and Rehabilitation funding for the renovation and/or expansion of three academic facilities. As campus buildings continue to age, there is increased need to renovate and rehabilitate the facilities. The three projects include: renovation and expansion of the Physical Activities Center to provide additional classroom and laboratory space for the Physical Education Department and renovation of classrooms and laboratories in the Science Center and the Technology Center. The Physical Activities Center, Science Center, and Technology Center serve thousands of students each year. Core academic programming is offered in each of these facilities. The planned renovation and/or expansion will insure the facilities remain in good physical condition.

| | |
|---|-------------|
| General Repair and Rehabilitation and Infrastructure | \$2,425,000 |
|---|-------------|

The University requests full funding of the General Repair and Rehabilitation and Infrastructure formulas to maintain existing facilities, including the infrastructure which supports these facilities, in both years of the biennium. Several general repair and rehabilitation projects totaling \$2,425,000 are planned for completion in the 2011-2013 biennium.

CONCLUSION

The University of Southern Indiana requests support from the State of Indiana for its 2011-2013 Operating and Capital Improvement Budget Requests. The funding requested to support successfully completed credit hours, change in degree completion, on-time degree completion, low income degree completion, one capital project, and repair and rehabilitation projects is essential for the University of Southern Indiana to serve the southern Indiana region and to help achieve the goals of the state.

Summary of Construction Change Orders Authorized by the Vice President for Business Affairs

1. BUSINESS AND ENGINEERING CENTER PROJECT

Weddle Brothers Building Group, LLC - General Contractor

| | | |
|--------|--|-------------|
| GC-023 | Install subgrade stabilization measures to correct poor soil conditions in parking lot addition, provide cover for elevator sump pit, add closers to four doors, install slip formed curbs in lieu of hand formed curbs in parking lot and site improvements, add exit devices to four doors, and add irrigation sleeves for landscape irrigation system | \$6,395.00 |
| GC-024 | Provide and install maple cap to steel capped guardrails in building to improve aesthetics and address safety concern | \$18,659.00 |

2. UNIVERSITY CENTER EXPANSION PROJECT

Weddle Brothers Building Group, LLC- General Contractor

| | | |
|--------|--|--------------|
| GC-035 | Perform work for changes to interior storefront glazing described in RFP 042, make changes to doors per RFP 045, perform additions to coiling door, install additional in-wall blocking, and use Exterior Finish System (EFS) in lieu of plaster system at various locations | \$1,382.00 |
| GC-036 | Raise the floor elevation of the new tunnel to absorb the caisson foundations | \$2,199.00 |
| GC-037 | Finish bulkhead around lowered track and support steel for operable partition walls | \$6,739.00 |
| GC-038 | Perform work to keep existing plaster ceiling in food service corridor per RFP 50 | (\$1,275.00) |
| GC-039 | Perform work to sort "A Block" by color, size, and shape, replace mortar with approved mortar color in joints | \$17,652.00 |

Deig Brothers Lumber and Construction Co. - Mechanical Contractor

| | | |
|--------|---|----------|
| MC-013 | Perform work to keep existing plaster ceiling in food service corridor per RFP 50 | \$468.00 |
|--------|---|----------|

Capital Electric, Inc.- Electrical Contractor

| | | |
|--------|---|------------|
| EC-018 | Perform electrical work to relocate office trailer, savings for changes to doors per RFP 045, add conduit for tower lighting per RFP 053, work for electrical hook-up at loading dock, and added work for RFI 151 | \$4,136.83 |
|--------|---|------------|

**Summary
Current Construction Projects
September 2, 2010**

Projects Recently Completed

Science Center and Physical Activities Center Roof Replacement

Project Cost **\$ 404,000**

Funding Source: General Repair and Rehabilitation Appropriation

Projects Under Construction

Business and Engineering Center

Project Cost **\$ 31,946,069**

Funding Source: Bond Issue (Repaid with Fee Replacement Appropriation)

University Center Expansion

Project Cost **\$ 18,400,000**

Funding Sources:

| | |
|---------------------------------------|------------|
| Bond Issue (Repaid with Student Fees) | 13,750,000 |
| Academic Funding Series I | 800,000 |
| Academic Funding Reserve | 650,000 |
| Bookstore Reserve | 1,000,000 |
| University Center Reserve | 2,200,000 |

Varsity Soccer and Baseball Field Improvements

Project Cost **\$ 1,250,000**

Funding Source: Special Projects Reserve

Practice Soccer Field Construction

Project Cost **\$ 750,000**

Funding Source: Special Projects Reserve

Campus Road Repairs and Resurfacing

Project Cost **\$ 475,000**

Funding Source: Transportation System Reserve

Parking Lot Construction and Expansion

Project Cost \$ 925,000

Funding Sources:

| | |
|--|---------|
| Student Housing Reserve | 350,000 |
| Transportation System Reserve | 350,000 |
| Business and Engineering Center Bond Issue | 225,000 |

Bicycle and Walk Path Construction

Project Cost \$ 350,000

Funding Source: Transportation System Reserve

Innovation Pointe Renovation

Project Cost \$ 345,000

Funding Source: Extended Services Reserve

Projects in Design

Teaching Theatre Construction

Project Cost \$ 16,500,000

Funding Sources:

| | |
|---------------------------------------|------------|
| Bond Issue (Repaid with Student Fees) | 13,000,000 |
| Special Projects Reserve | 1,500,000 |
| USI Foundation | 2,000,000 |

Bicycle and Walk Path Construction - Valley Parking Lot

Project Cost \$ 350,000

Funding Source: Transportation System Reserve

Advanced Manufacturing Teaching Facility

Project Cost \$ 1,850,000

Funding Source: Special Projects Reserve

Science Center Renovation - Lower Level

Project Cost \$ 950,000

Funding Source: General Repair and Rehabilitation Appropriation

Orr Center Renovation - Third Level East Wing

Project Cost \$ 400,000

Funding Source: Special Projects Reserve