

AGENDA

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 7, 2006

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF JULY 6, 2006, MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**
- D. PRESIDENT'S REPORT**

SECTION II - FINANCIAL MATTERS

- A. REPORT OF THE FINANCE/AUDIT COMMITTEE**
- B. APPROVAL OF 2007-2008 HOUSING RATES**
- C. APPROVAL OF 2007-2008 DINING PLAN RATES**
- D. APPROVAL OF THE 2007-2009 OPERATING BUDGET REQUEST**
- E. REPORT OF THE CONSTRUCTION COMMITTEE**
- F. UPDATE ON CURRENT CONSTRUCTION PROJECTS**

SECTION III - PERSONNEL MATTERS

- A. APPROVAL OF PERSONNEL ACTIONS**

SUPPLEMENTAL INFORMATION

**UNIVERSITY OF SOUTHERN INDIANA
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SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF JULY 6, 2006, MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**

The Long-Range Planning Committee will meet prior to the meeting on September 7, 2006. A report will be presented.

- D. PRESIDENT'S REPORT**

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE/AUDIT COMMITTEE

The Finance/Audit Committee will meet in joint session with the Construction Committee prior to the meeting on September 7, 2006. A report will be presented.

B. APPROVAL OF 2007-2008 HOUSING RATES

Approval of the following 2007-2008 housing rates for recommendation to the Board of Trustees 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	\$1,617	\$1,642	7-01-07
	One student per bedroom	2,897	2,941	7-01-07
One Bedroom:	Two students	1,953	1,983	7-01-07
	One student	3,636	3,691	7-01-07
<u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u>				
One and Two Bedroom: Two students per bedroom		\$1,617	\$1,642	7-01-07

SUMMER SESSIONS

Summer session rates are indexed to semester rates. The rate for each five-week summer session is one-third of the academic year semester rate.

C. APPROVAL OF 2007-2008 DINING PLAN RATES

Students who live in the Residence Halls (Governors, Newman, O'Bannon, and Ruston) are required to purchase a Resident Dining Plan. Three plans are available from which students can choose. The proposed rates allow for normal increases in food and labor costs.

Approval of the following dining plan rates for 2007-2008 is recommended.

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
Red Eagle Plan	\$1,629	\$1,629	7-01-07
White Eagle Plan	1,519	1,569	7-01-07
Blue Eagle Plan	1,369	1,435	7-01-07

SUMMER SESSIONS

Dining plans are not offered during summer sessions.

D. APPROVAL OF THE 2007-2009 OPERATING BUDGET REQUEST

The Operating Budget Request for 2007-2009 was submitted to the Indiana Commission for Higher Education, the State Budget Agency, and the Indiana General Assembly on August 1, 2006. 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 2007-2009 Operating Budget Request in Exhibit II-A is recommended.

E. REPORT OF THE CONSTRUCTION COMMITTEE

The Construction Committee will meet in joint session with the Finance/Audit Committee prior to the meeting on September 7, 2006. A report will be presented.

F. UPDATE ON CURRENT CONSTRUCTION PROJECTS

SECTION III – PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

Approval of the following personnel actions is recommended.

1. Early Retirement

Director of Historic Southern Indiana and Professor of History Darrel E. Bigham, in accordance with the early retirement policy, has requested early retirement effective June 30, 2008, including leave with pay for the period January 1, 2008 through June 30, 2008. Severance pay based on 38 years of service to the University will be paid as of June 30, 2008.

Vice President for Advancement Sherrienne Standley, in accordance with the early retirement policy, has requested early retirement effective December 31, 2007, including leave with pay for the period July 1, 2007 through December 31, 2007. Severance pay based on 32 years of service to the University will be paid as of December 31, 2007.

2. Emerita/Emeritus Status

It is recommended that the following be retired officially with the effective dates shown and that the appropriate emerita/emertus titles, as indicated, be conferred:

Director Emeritus of Historic Southern Indiana and
Professor Emeritus of History Darrel E. Bigham
38 years at USI, effective June 30, 2008

Vice President Emerita for Advancement Sherrienne Standley
32 years at USI, effective December 31, 2007.

UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2007-2009
REQUEST SUMMARY

	<u>2007-08</u>	<u>2008-09</u>
EXPENDITURES		
Expenditure Base	70,953,039	78,700,394
Base Adjustments		
A. Enrollment Change	910,000	0
B. Plant Expansion	1,258,763	0
C. Appropriation Adjustment	2,000,000	1,000,000
Subtotal Before Debt Service	4,168,763	1,000,000
D. Debt Service	3,586,621	3,358
Reallocation of Student Fees	(3,586,621)	(3,358)
Subtotal Debt Service	0	0
Total Expenditure Base	75,121,802	79,700,394
Maintenance for Current Programs		
A. Personal Services 3%	1,606,636	1,654,835
B. Supplies & Expense 3%	452,656	466,235
C. Student Aid 3%	69,300	71,379
Subtotal Maintenance for Current Programs	2,128,592	2,192,449
Quality Improvement		
A. Economic Development Outreach in SW Indiana	950,000	850,000
B. SW Indiana STEM Education Center (SISTEMEC)	500,000	750,000
Subtotal Quality Improvement	1,450,000	1,600,000
Total Budget Increases	7,747,355	4,792,449
Total Expenditure Request	78,700,394	83,492,843
REVENUE		
Student Fee Base	29,838,415	27,478,833
Fee Increase 3%	1,227,039	1,263,851
Transfer to Debt Service	(3,586,621)	(3,358)
Total Student Fees	27,478,833	28,739,326
Operating Appropriation Base	35,213,023	41,733,339
Appropriation Increase	6,520,316	3,528,598
Total Operating Appropriation	41,733,339	45,261,937
Fee Replacement Appropriation Base	5,901,601	9,488,222
Fee Replacement Change	3,586,621	3,358
Total Fee Replacement Appropriation	9,488,222	9,491,580
Total State Appropriation	51,221,561	54,753,517
Total Revenue Request	78,700,394	83,492,843

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET REQUEST 2007-2009
CONSOLIDATED PRIORITIZATION**

	<u>2007-08</u>	<u>2008-09</u>
<u>CONSOLIDATED EXPENDITURE BASE</u>		
Operating Expenditure Base	65,051,438	
Fee Replacement Appropriation	5,901,601	
TOTAL	70,953,039	
 <u>PRIORITIZATION OF INCREASES</u>		
A. Basic Needs		
1. Maintenance for Current Programs	2,128,592	2,192,449
2. Enrollment Change	910,000	0
3. Plant Expansion	1,258,763	0
4. Appropriation Adjustment	2,000,000	1,000,000
Total Basic Needs	6,297,355	3,192,449
 B. Quality Improvement Initiatives		
1. Economic Development Outreach in SW Indiana	950,000	850,000
2. SW Indiana STEM Education Center	500,000	750,000
Total Quality Improvement Initiatives	1,450,000	1,600,000
 C. Line Item Appropriation Request		
1. Historic New Harmony	160,686	15,507
Total Line Item Appropriation Request	160,686	15,507
 D. Capital Request		
1. College of Business/General Classroom Building	29,900,000	
2. General Repair & Rehabilitation and Infrastructure Funding	1,965,000	
Total Capital Request	31,865,000	

UNIVERSITY OF SOUTHERN INDIANA

PRIORITIES OF 2007-2009 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS

The 2007-2009 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, 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 2007-2009 Operating and Capital Improvement Budget Requests to fund:

- *Growth in enrollment;*
- *Current programs and services;*
- *Increased appropriation levels due to disparity in funding;*
- *Quality improvement for:*
 - *Economic Development Outreach in Southwestern Indiana; and*
 - *SISTEMEC - Southwestern Indiana Science, Technology, Engineering, and Mathematics Education Center;*
- *Plant expansion for previously approved projects;*
- *Construction of the new College of Business/General Purpose Classroom Building; and*
- *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 2007-2009 Operating and Capital Improvement Budget Requests.

INSTITUTIONAL REQUEST

Full funding of the University of Southern Indiana's 2007-2009 Operating Budget Request is important to the ongoing growth and development of the campus. 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 *2007-2009 Operating Budget Request* and the supporting narrative and budget schedules.

BASIC NEEDS

	2007-2008	2008-2009
	<u>Request</u>	<u>Change</u>
Maintenance for Current Programs	\$2,128,592	\$2,192,449
Enrollment Change	910,000	
Appropriation Adjustment	2,000,000	\$1,000,000
Plant Expansion	1,258,763	

- **Maintenance for Current Programs** - The University requests a three percent increase in the expenditure base each year of the biennium to maintain current operations, for personal services, supplies, and student assistance expenses.
- **Enrollment Change** - Funding for enrollment change continues to be a major component of the University's operating budget request. The University requests funding at \$3,500 per-FTE-Hoosier student based on the four-year rolling average for an additional 260 full-time-equivalent (FTE) students. The enrollment funding formula has not been fully funded in the last several budget cycles. Most recently, the formula was funded:
 - in 2003-2004 at 50 percent and in 2004-2005 at 90 percent at the reduced rate of \$3,300 per-FTE-Hoosier student.
 - in 2005-2006 at 60 percent and in 2006-2007 at 90 percent at \$3,500 per-FTE-Hoosier student.

Because of growth in enrollment and because the enrollment formula has not been fully funded, the University's appropriation per-FTE-Hoosier student continues to fall behind. The funds provided through the enrollment funding formula are essential to provide the instruction and support needed for the additional students.

- **Appropriation Adjustment** - In past budget documents, the University of Southern Indiana has drawn attention to the large disparity in state funding per-FTE-Hoosier student received by each of the public baccalaureate-degree-granting institutions. The difference in state appropriations between institutions is significant. Addressing the problem requires a review of the differentials in funding. Included in the University's 2007-2009 Operating Budget Request is a request for a special appropriation adjustment in each year of the biennium to address the discrepancy in funding per-FTE-Hoosier student. The University requests an additional \$250 per-FTE-Hoosier student in 2007-2008 and an additional \$125 in 2008-2009.
- **Plant Expansion** - Plant expansion is requested for the new David L. Rice Library which opened in July 2006. Plant expansion was requested in the 2005-2007 Operating Budget Request, but was not funded. The addition of the new library increased the University's square footage by 14.4 percent. Funding for plant expansion is critical to adequately maintain the facility and to cover the operating costs.

QUALITY IMPROVEMENT INITIATIVES

	2007-2008 <u>Request</u>	2008-2009 <u>Change</u>
Economic Development Outreach in Southwestern Indiana	\$950,000	\$850,000
SISTEMEC - Southwestern Indiana Science, Technology, Engineering, and Mathematics Education Center	\$500,000	\$750,000

The University of Southern Indiana requests quality improvement funds to support the development of two new initiatives needed to serve regional workforce and economic development demands and the expansion of science, technology, engineering, and mathematics education (STEM). The support provided will assist the University in planning and implementing new programs and strengthen the institution's commitment to service to the region and the state. To develop new programs without start-up funding is a major challenge in light of the low institutional funding base. The investment of the state in specialized programs and initiatives allows the University of Southern Indiana to fulfill its mission to the region and the state.

Economic Development Outreach in Southwestern Indiana

The University of Southern Indiana is increasingly viewed as a key enabler of regional economic transformation in southwestern Indiana. USI is the higher education partner in Innovation Pointe, the downtown Evansville Certified Technology Park. With the quality improvement funds requested, the University plans to:

- Expand the activities of the University's Center for Applied Research in Innovation Pointe Certified Technology Park with the establishment of the ***Innovation and Commercialization Project***. The project will target innovation -- entrepreneurship, technology transfer, and commercialization -- and actively engage university faculty and students in specific initiatives designed to accelerate changes in the regional economy.
- Develop an ***Entrepreneurship Education Program*** through the USI College of Business to strengthen entrepreneurial assets and infrastructure within the southwestern Indiana region.
- Create a new ***Center for Business Economic Studies*** to provide regional leaders with the data needed for informed decision-making related to economic development initiatives in southwestern Indiana.

Through the expansion of existing University services and the development of new and innovative activities, these projects will strengthen the economic future of the southwestern Indiana region.

SISTEMEC - Southwestern Indiana Science, Technology, Engineering, and Mathematics Education Center

Data over the last decade shows a decreasing proportion of the population seeking undergraduate and graduate education in the areas of Science, Technology, Engineering, and Mathematics (STEM). Many students who begin their college studies in STEM areas drop out of these fields by their senior year. USI is a leader in STEM education and plays a key role in the recruitment of Indiana students working toward degrees in STEM areas and in professional development of STEM teachers.

Development of ***SISTEMEC - Southwestern Indiana Science, Technology, Engineering, and Mathematics Education Center*** will place southwestern Indiana in a

leadership role in STEM education initiatives. SISTEMEC will focus on recruitment and retention of students as well as outreach and professional development programs for teachers. The project will include:

- Development of the on-campus *Summer STEM Academy* for high school students from throughout the state will allow students who have an interest in STEM disciplines to work with other students, K-12 teachers, and university faculty in classroom and hands-on laboratory experiences.
- Creation of the *Early Undergraduate Research Program* will allow undergraduate STEM majors to work closely with faculty members on selected research projects during an eight-week summer session.
- Development of the *Program Leading to Undergraduate Success in the Sciences (PLUSS)* will provide students who are interested in STEM majors, but who may lack sufficient high school preparation, the specialized advising services, tutoring, and faculty mentoring needed to succeed in STEM disciplines.

Creation of SISTEMEC will increase student recruitment in STEM areas and assist the state in developing the skilled workforce needed to compete in an increasingly technology-oriented and science-based economy.

LINE ITEM APPROPRIATION REQUEST

The University's 2007-2009 Operating Budget Request includes one line item appropriation for Historic New Harmony.

Historic New Harmony	2007-2008	2008-2009
	<u>Request</u>	<u>Request</u>
Base Appropriation	\$516,902	\$532,409

The University requests continued funding of the line item appropriation for Historic New Harmony in the 2007-2009 biennium. To support the preservation, education, and interpretive programs of this state and national treasure, the University requests:

- a base adjustment to the current appropriation of \$150,000 beginning in 2007-2008; and
- a three percent increase on the adjusted base of the line item appropriation in 2007-2008 and 2008-2009.

Funding the University's 2007-2009 Line Item Budget Request for Historic New Harmony will allow the University to continue to provide the programming and ongoing maintenance of this Indiana historic 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 during the 2007-2009 biennium.

College of Business/General Classroom Building **\$29,900,000**

The 2005 Indiana General Assembly authorized \$2,046,069 in bonding authority in the 2005-2007 Biennial Budget to plan and design the new College of Business/General Classroom Building. The University seeks \$29,900,000 in bonding authorization from the 2007 General Assembly to proceed with the construction of the College of Business/General Classroom Building.

General Repair and Rehabilitation and Infrastructure **\$ 1,965,000**

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 \$1,965,000 are planned for completion in the 2007-2009 biennium.

CONCLUSION

The University of Southern Indiana requests support from the State of Indiana for its 2007-2009 Operating and Capital Improvement Budget Requests. The funding requested to support current programs and services, growth in enrollment, quality improvement initiatives, plant expansion for approved projects, capital projects, 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.