

AGENDA

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 3, 2008

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF JULY 10, 2008, MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**
- D. PRESIDENT'S REPORT**
- E. REVIEW AND ACCEPTANCE OF CONFLICT OF INTEREST DISCLOSURE STATEMENTS**

SECTION II - FINANCIAL MATTERS

- A. REPORT OF THE FINANCE/AUDIT COMMITTEE**
- B. APPROVAL OF 2009-2010 HOUSING RATES**
- C. APPROVAL OF 2009-2010 MEAL PLAN RATES**
- D. APPROVAL OF TRANSFER OF FUNDS TO THE VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST**
- E. APPROVAL OF THE 2009-2011 OPERATING BUDGET REQUEST**
- F. UPDATE ON CURRENT CONSTRUCTION PROJECTS**

SUPPLEMENTAL INFORMATION

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 3, 2008

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF JULY 10, 2008, 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 Board of Trustees meeting on September 3, 2008. A report will be presented.

D. PRESIDENT'S REPORT

E. REVIEW AND ACCEPTANCE OF CONFLICT OF INTEREST DISCLOSURE STATEMENTS

Indiana Code (IC) 35-44-1-3 provides that "A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from a contract or purchase connected with an action by the governmental entity served by the public servant commits a conflict of interest, a Class D felony".

IC 35-41-1-24 defines "public servant" as a person who (1) is authorized to perform an official function on behalf of, and is paid by, a governmental entity; or (2) is elected or appointed to office to discharge a public duty for a governmental entity.

The law provides a method by which public servants can avoid the criminal aspect of the conflicts of interest law by filing a disclosure statement with the Board of Trustees. The Board of Trustees must then review and accept such disclosures, and must forward all disclosure statements to the State Board of Accounts. Following their board orientation session in August, the three recently appointed trustees completed disclosure statements for 2008. A summary of these statements is in Exhibit I-A.

Approval to certify that the Board of Trustees has reviewed and accepted the disclosure statements is recommended.

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE/AUDIT COMMITTEE

The Finance/Audit Committee will meet prior to the Board of Trustees meeting on September 3, 2008. A report will be presented.

B. APPROVAL OF 2009-2010 HOUSING RATES

Approval of the following 2009-2010 housing rates is recommended.

| | | CURRENT RATE | PROPOSED RATE | EFFECTIVE DATE |
|---|--------------------------|-------------------------|--------------------------|---------------------------|
| <u>FALL OR SPRING SEMESTER</u> | | | | |
| <u>McDONALD or O'DANIEL APARTMENT</u> | | | | |
| Two Bedroom: | Two students per bedroom | \$1,675 | \$1,725 | 7-01-09 |
| | One student per bedroom | 3,000 | 3,090 | 7-01-09 |
| One Bedroom: | Two students | 2,023 | 2,084 | 7-01-09 |
| | One student | 3,765 | 3,878 | 7-01-09 |
| <u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u> | | | | |
| One and Two Bedroom: Two students per bedroom | | \$1,675 | \$1,725 | 7-01-09 |

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 2009-2010 MEAL PLAN RATES

Students who live in the Residence Halls (Newman Hall, Governors Hall, O'Bannon Hall, and Ruston Hall) are required to purchase a Resident Meal Plan. For 2009-2010, each of the three plans offers a different combination of meals and discretionary spending. The proposed rates allow for normal increases in food and labor costs.

Approval of the following meal plan rates for 2009-2010 is recommended.

| <u>FALL OR SPRING SEMESTER</u> | CURRENT RATE | PROPOSED RATE | EFFECTIVE DATE |
|---------------------------------------|-------------------------|--------------------------|---------------------------|
| Red Eagle Plan | \$1,649 | \$1,625 | 7-01-09 |
| White Eagle Plan | 1,610 | \$1,625 | 7-01-09 |
| Blue Eagle Plan | 1,480 | \$1,625 | 7-01-09 |

D. APPROVAL OF TRANSFER OF FUNDS TO THE VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST

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

Approval to transfer \$750,000 to the VEBA Trust is recommended.

E. APPROVAL OF THE 2009-2011 OPERATING BUDGET REQUEST

The Operating Budget Request for 2009-2011 was submitted to the Indiana Commission for Higher Education, the State Budget Agency, and the Indiana General Assembly on August 1, 2008. 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 2009-2011 Operating Budget Request in Exhibit II-A is recommended.

F. UPDATE ON CURRENT CONSTRUCTION PROJECTS

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

**Possible Conflict of Interest Disclosure Statements
Filed for 2008**

| DATE | NAME/ TITLE | VENDOR/ CONTRACTOR | DESCRIPTION OF FINANCIAL INTEREST |
|-------------|------------------------|-------------------------------|--|
|-------------|------------------------|-------------------------------|--|

New Trustees' statements will be signed at Trustee Orientation on August 27, 2008.

A revised Exhibit I-A will be provided for the Board of Trustees' review and acceptance at its meeting on September 3, 2008.

UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2009-2011
REQUEST SUMMARY

| | <u>2009-10</u> | <u>2009-11</u> |
|---|----------------|----------------|
| <u>EXPENDITURES</u> | | |
| Expenditure Base | 80,832,843 | 85,420,178 |
| Base Adjustments | | |
| A. Enrollment Change | 542,500 | 0 |
| B. Degree Completion | 486,000 | 0 |
| C. On-Time Degree Completion | 358,835 | |
| D. Appropriation Adjustment | 2,000,000 | 1,000,000 |
| Subtotal Before Debt Service | 3,387,335 | 1,000,000 |
| E. Debt Service | 923,616 | (360,950) |
| Reallocation of Student Fees | (923,616) | 360,950 |
| Subtotal Debt Service | 0 | 0 |
| Total Expenditure Base | 84,220,178 | 86,420,178 |
| 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 | | |
| A. STEM Teaching Improvement Institute | 700,000 | 700,000 |
| B. ADAPT - Affordable Degree Attainment | 500,000 | 500,000 |
| Subtotal Quality Improvement | 1,200,000 | 1,200,000 |
| Total Budget Increases | 4,587,335 | 2,200,000 |
| Total Expenditure Request | 85,420,178 | 87,620,178 |
| <u>REVENUE</u> | | |
| Student Fee Base | 29,448,561 | 28,524,945 |
| Fee Increase 0% | 0 | 0 |
| Transfer to Debt Service | (923,616) | 360,950 |
| Total Student Fees | 28,524,945 | 28,885,895 |
| Operating Appropriation Base | 40,387,429 | 44,974,764 |
| Appropriation Increase | 4,587,335 | 2,200,000 |
| Total Operating Appropriation | 44,974,764 | 47,174,764 |
| Fee Replacement Appropriation Base | 10,996,853 | 11,920,469 |
| Fee Replacement Change | 923,616 | (360,950) |
| Total Fee Replacement Appropriation | 11,920,469 | 11,559,519 |
| Total State Appropriation | 56,895,233 | 58,734,283 |
| Total Revenue Request | 85,420,178 | 87,620,178 |

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET REQUEST 2009-2011
CONSOLIDATED PRIORITIZATION**

| <u>CONSOLIDATED EXPENDITURE BASE</u> | <u>2009-10</u> | <u>2010-11</u> |
|---|-----------------------|-----------------------|
| Operating Expenditure Base | 69,835,990 | |
| Fee Replacement Appropriation | 10,996,853 | |
| TOTAL | 80,832,843 | |
| | | |
| <u>PRIORITIZATION OF INCREASES</u> | | |
| A. Basic Needs | | |
| 1. Maintenance for Current Programs | 0 | 0 |
| 2. Enrollment Change | 542,500 | 0 |
| 3. Degree Completion | 486,000 | 0 |
| 4. On-Time Degree Completion | 358,835 | 0 |
| 5. Appropriation Adjustment | 2,000,000 | 1,000,000 |
| Total Basic Needs | 3,387,335 | 1,000,000 |
| | | |
| B. Quality Improvement Initiatives | | |
| 1. STEM Teaching Improvement Institute | 700,000 | 700,000 |
| 2. ADAPT - Affordable Degree Attainment | 500,000 | 500,000 |
| Total Quality Improvement Initiatives | 1,200,000 | 1,200,000 |
| | | |
| C. Line Item Appropriation Request | | |
| 1. Historic New Harmony | 38,048 | 38,716 |
| Total Line Item Appropriation Request | 38,048 | 38,716 |
| | | |
| D. Capital Request | | |
| 1. Teaching Theatre - Replacement Project | 15,000,000 | |
| a. State Funding Bonding Authorization | 8,000,000 | |
| b. Non-State Funding Authorization | 7,000,000 | |
| 2. General Repair & Rehabilitation and Infrastructure Funding | 2,243,850 | |
| Total Capital Request | 17,243,850 | |

UNIVERSITY OF SOUTHERN INDIANA

PRIORITIES OF 2009-2011 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS

The 2009-2011 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 2009-2011 Operating and Capital Improvement Budget Requests to fund:

- ***Growth in Enrollment;***
- ***Current Programs and Services;***
- ***Degree Completion and On-Time Degree Completion;***
- ***Increased Appropriation Levels Due to Disparity in Funding;***
- ***Quality Improvement for:***
 - ***STEM Teaching Improvement Institute; and***
 - ***ADAPT - Affordable Degree Attainment through Professional Training;***
- ***Construction of the Teaching Theatre - Replacement Project; 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 2009-2011 Operating and Capital Improvement Budget Requests.

INSTITUTIONAL REQUEST

Full funding of the University of Southern Indiana's 2009-2011 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 *2009-2011 Operating Budget Request* and the supporting narrative and budget schedules.

BASIC NEEDS

| | 2009-2010 | 2010-2011 |
|----------------------------------|-----------------------|----------------------|
| | <u>Request</u> | <u>Change</u> |
| Enrollment Change | \$ 542,500 | |
| Degree Completion | 486,000 | |
| On-Time Degree Completion | 358,835 | |
| Appropriation Adjustment | \$ 2,000,000 | \$1,000,000 |

- **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 155 full-time-equivalent (FTE) students. The enrollment formula has been fully funded only twice in the past decade.

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.

- **Degree Completion** - In 2007-2009, Indiana adopted the degree completion performance funding incentive. From 2001-2002 to 2006-2007, the average number of baccalaureate degrees conferred increased from 879 to 1,001. The University

requests funding at \$4,000 for an additional 122 degrees conferred based on the two-year average. A record number of students graduated in 2008, exceeding 1,700 for the first time in USI's history.

- **On-Time-Degree Completion** - In 2007-2009, Indiana adopted the on-time degree completion performance funding incentive. From 2001-2001 to 2003-2004, the number of baccalaureate degrees conferred in four years increased by 4.3 percent. The University requests funding at \$5,000 for an additional 85 degrees conferred in four years based on the change in cohort graduation rate
- **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 2009-2011 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 2009-2010 and an additional \$125 in 2010-2011.
- **Maintenance for Current Programs** - The 2009-2011 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 2009-2011 Operating Budget Request, the University seeks funding to maintain current programs and implement new initiatives during the biennium.

QUALITY IMPROVEMENT INITIATIVES

| | 2009-2010 <u>Request</u> | 2010-2011 <u>Change</u> |
|---|-------------------------------------|------------------------------------|
| STEM Teaching Improvement Institute | \$700,000 | \$700,000 |
| ADAPT - Affordable Degree Attainment through Professional Training | \$500,000 | \$500,000 |

The University of Southern Indiana requests quality improvement funds to support the development of two new initiatives needed for the expansion of science, technology,

engineering, and mathematics education (STEM), to increase degree attainment, and to serve regional workforce and economic development needs. 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. Both initiatives support the Indiana Commission for Higher Education's *2008 Reaching Higher Strategic Directions* documents. To develop new programs without start-up funding is a major challenge in light of the University's 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.

STEM Teaching Improvement Institute

The University of Southern Indiana seeks funding to establish the *STEM Teaching Improvement Institute*. The Institute will provide pre-service and in-service training and professional development opportunities to increase the number of qualified teachers in science, mathematics, and technology disciplines in K-12 schools. It also will qualify these teachers for dual credit, concurrent enrollment, and Early College High School programs, thus expanding opportunities for students to earn college credit while in high school. While most participants will be teachers in southwest Indiana, the improvement in the cadre of STEM teachers will have a ripple effect throughout the state.

The University of Southern Indiana proposes to develop the *STEM Teaching Improvement Institute* to address factors involved in the supply of well-prepared, highly effective STEM teachers. This multi-faceted approach will address the quantity and quality of teachers through quality improvement initiatives targeted at pre-service and in-service teachers. Significant to the state's desire to expand dual and concurrent credit courses for high school students, the Institute will provide opportunities for high school teachers to validate completion of curricula designed to provide competencies to teach college level courses. A major component of the program will target recruitment of science and mathematics undergraduate majors who may not have considered teaching as a profession.

ADAPT - Affordable Degree Attainment through Professional Training

The University of Southern Indiana requests funding to develop the *ADAPT - Affordable Degree Attainment through Professional Training* program. The mission of the *ADAPT* program is to wrap intensive academic and career-preparatory services around those students most at-risk of failing to complete their degrees, either due to lower socio-economic status, lack

of adequate academic preparation, or simply because their personal financial situation requires them to work too many hours to make adequate yearly progress toward their degree.

The specific objectives of the *ADAPT* program are to:

- improve the quality and quantity of on-campus work experiences;
- provide professional training for student workers;
- provide personalized academic coaching for at-risk students;
- successfully retain a larger share of working students;
- prepare a more desirable, professional workforce in the region;
- recruit and retain a larger number of 21st Century Scholars; and
- increase degree completion rates for working students.

The development of *ADAPT* will allow USI to play a leadership role in workforce development, as well as dramatically increase the success rates of this population of students.

LINE ITEM APPROPRIATION REQUEST

The University's 2009-2011 Operating Budget Request includes one line item appropriation for Historic New Harmony.

| | 2009-2010 | 2010-2011 |
|-----------------------------|-----------------------|-----------------------|
| | <u>Request</u> | <u>Request</u> |
| Historic New Harmony | | |
| Base Appropriation | \$614,536 | \$653,252 |

The University requests continued funding of the line item appropriation for Historic New Harmony in the 2009-2011 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 during the 2009-2011 biennium.

Teaching Theatre – Replacement Project

\$15,000,000

The University proposes construction of a \$15,000,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus. The University seeks \$8,000,000 in bonding authorization and \$7,000,000 in authorization only for the construction of a new on-campus facility.

General Repair and Rehabilitation and Infrastructure

\$2,243,850

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 \$2,243,850 are planned for completion in the 2009-2011 biennium.

CONCLUSION

The University of Southern Indiana requests support from the State of Indiana for its 2009-2011 Operating and Capital Improvement Budget Requests. The funding requested to support growth in enrollment, degree completion, on-time degree completion, quality improvement initiatives, 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.

University of Southern Indiana Board of Trustees

**Summary
Current Construction Projects
September 3, 2008**

Projects under Construction

| | | |
|---|-------------|--------------|
| McCutchan Art Center | | |
| Project Cost | | \$ 1,125,000 |
| Funding Sources: | | |
| Kenneth P. McCutchan Fund | \$ 640,000 | |
| Academic Initiative Fund | 300,000 | |
| USI Foundation | 185,000 | |
| The Community Center | | |
| Project Cost | | \$ 1,500,000 |
| Funding Source: Housing Reserve | | |
| Support Services Building | | |
| Project Cost | | \$ 2,830,831 |
| Funding Sources: | | |
| Business and Engineering Center Bond Issue | \$1,816,356 | |
| David L. Rice Library Bond Issue | 635,000 | |
| Transportation Reserve | 257,475 | |
| Technology Initiatives Reserve | 122,000 | |
| Recreation and Fitness Center Renovation | | |
| Project Cost | | \$ 9,120,000 |
| Funding Sources: | | |
| Reserve | \$1,260,000 | |
| Student Services Fee | 125,000 | |
| Student Activity Fee | 360,000 | |
| Student Services Operations | 125,000 | |
| Bond Issue (Repaid with Student Fees) | 7,250,000 | |
| 12.5 kV Electric Service Installation | | |
| Project Cost | | \$ 975,316 |
| Funding Sources: | | |
| General R & R Appropriation | \$ 700,000 | |
| Energy Management System Reserve | 275,316 | |
| Ceramics Center Relocation | | |
| Project Cost | | \$ 1,009,700 |
| Funding Sources: | | |
| Business and Engineering Center Bond Issue | \$ 900,000 | |
| Special Projects Reserve | 109,700 | |

| | | |
|---|------------|--------------|
| Wright Administration Building - New Roof System | | |
| Project Cost | | \$ 174,700 |
| Funding Source: General R & R Appropriation | | |
| Science Center Renovation – Phase II | | |
| Project Cost | | \$ 715,250 |
| Funding Sources: | | |
| General R & R Appropriation | \$ 462,993 | |
| Special Project Reserve | 252,257 | |
| Science Center Renovation – Phase III | | |
| Project Cost | | \$ 700,000 |
| Funding Sources: | | |
| General R & R Appropriation | \$ 500,000 | |
| Special Project Reserve | 200,000 | |
| Business and Engineering Center | | |
| Project Cost | | \$31,946,069 |
| Funding Source: Bond Issue (Repaid with Fee Replacement Appropriation) | | |

Projects in Design

| | | |
|--|--------------|--------------|
| Campus Entrance and Loop Road Construction | | |
| Project Cost – Phase I | | \$ 3,825,892 |
| Funding Sources: | | |
| David L. Rice Library Bond Issue | \$2,000,000 | |
| Federal Direct Appropriation Funding FY2005 | 1,475,892 | |
| Federal Direct Appropriation Funding FY2008 | 350,000 | |
| University Center Expansion | | |
| Project Cost | | \$17,650,000 |
| Funding Sources: | | |
| Bond Issue (Repaid with Student Fees) | \$13,750,000 | |
| David L. Rice Library Bond Issue | 800,000 | |
| Extended Services Fund | 650,000 | |
| Bookstore Reserve | 1,000,000 | |
| University Center Reserve | 1,450,000 | |
| Central Heating and Cooling Plant Expansion | | |
| Project Cost | | \$ 750,000 |
| Funding Source: Business and Engineering Center Bond Issue | | |