

AGENDA

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

November 14, 2002

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF SEPTEMBER 5, 2002, 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. ANNUAL REPORT ON STUDENT FINANCIAL ASSISTANCE**
- B. REPORT OF THE FINANCE COMMITTEE**
- C. UPDATE ON CURRENT CONSTRUCTION PROJECTS**
- D. TOUR OF THE SCIENCE AND EDUCATION CENTER**

SECTION III - PERSONNEL MATTERS

- A. APPROVAL OF PERSONNEL ACTIONS**

SUPPLEMENTAL INFORMATION
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

November 14, 2002

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF SEPTEMBER 5, 2002, 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 November 14, 2002.
A report will be presented.

- D. PRESIDENT'S REPORT**

SECTION II – FINANCIAL MATTERS

A. ANNUAL REPORT ON STUDENT FINANCIAL ASSISTANCE

A summary will be presented on student financial assistance administered by the University during the 2001-2002 academic year (Exhibit II-A).

B. REPORT OF THE FINANCE COMMITTEE

At its meeting on September 5, 2002, the Board of Trustees approved a resolution authorizing the Finance Committee to act on behalf of the Board to approve health insurance premium rates and the flexible benefit plan administrative fee and to report to the Board at its next regular meeting. The Finance Committee met on November 4, 2002. A report will be presented (Exhibit II-B).

C. UPDATE ON CURRENT CONSTRUCTION PROJECTS

A report on the status of current construction projects will be presented.

D. TOUR OF THE SCIENCE AND EDUCATION CENTER

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

Approval of the following personnel actions is recommended.

1. Retirement

Sharon M. Morrow, Instructor in English, has requested retirement effective May 11, 2003.

2. Early Retirement

Mary A. Schroeder, Assistant Professor of Communication Studies, in accordance with the early retirement policy, has requested early retirement effective May 9, 2004, including a half-time assignment with full pay for the period August 25, 2003 through May 9, 2004. Severance pay based on 37 years of service to the University will be paid as of June 30, 2004.

Ruth S. Tompkins, Associate Professor of Education, in accordance with the early retirement policy, has requested early retirement effective May 9, 2004, including leave with pay for the period of January 1, 2004 through May 9, 2004. Severance pay based on 15 years of service to the University will be paid as of June 30, 2004.

3. Emeritus Status

It is recommended that the following faculty members be retired officially with the effective dates shown and the appropriate emeritus titles, as indicated, conferred:

Sharon M. Morrow, Instructor Emerita in English
15 years at USI, effective May 11, 2003

Mary A. Schroeder, Assistant Professor Emerita of Communication Studies
37 years at USI, effective May 9, 2004

Ruth S. Tompkins, Associate Professor Emerita of Education
15 years at USI, effective May 9, 2004

2001-2002 Student Financial Aid Programs Final Report

University of Southern Indiana

September 30, 2002

Executive Summary

Each fall a final report of prior year student financial aid activity is completed to assess trends and program initiatives. This information provides a basis on which to plan improvements to existing programs and develop proposals for new student financial assistance programs.

Significant findings contained in the 2001-2002 report are:

- The Student Financial Assistance Office served 11,745 students and prospective students, an increase of 868 students (8%) over the previous year.
- 8,837 FAFSA applications (for need-based assistance) were submitted, an increase of 899 applications (11%) over the previous year.
- Student Financial Assistance provided aid to 6,563 enrolled students, up 247 students (4%) over the previous year.
- 15,480 awards totaling \$32,635,979 were administered by various offices of the University.
- Total funding was up \$3,363,287 (11%).
- Federal student aid funding was up \$2,517,479 (13%), most of which was gift aid.
- Indiana student aid funding was up \$187,587 (7%).
- University student aid funding was up \$291,571 (6%).
- Corporate and private student aid funding was up \$266,917 (21%).
- Gift aid (grants and scholarships) was up \$1,270,918 (11%).
- Self-help in the form of loans was up \$1,364,555 (8%).
- Self-help in the form of on-campus employment was up \$235,175 (16%).
- Among baccalaureate Stafford Loan borrowers in the Class of 2002, total borrowing averaged \$15,075, up 12% when compared to the prior class. Among master's degree recipients, career borrowing averaged \$23,045, virtually unchanged from the prior year.

2001-2002 Student Financial Aid Programs Final Report

University of Southern Indiana

September 30, 2002

Introduction

This report contains both summary and program-specific information for all student financial assistance programs administered by the University. Data used in compiling this report was obtained from the University's Student Information System on September 3, 2002. Student employment data was provided by Human Resources, Varsity Club expenditures were provided by the Business Office, and veterans' educational benefit information was provided by the Registrar's Office/Veterans' Affairs Office.

The Student Financial Assistance Office, the Veterans' Affairs Office, and the Career Services and Placement Office provide assistance to students in obtaining the types of financial aid included in this report.

Narrative

A total of 11,745 individuals used student financial assistance services (student contacts). Students and prospective students submitted 8,837 applications for "need-based" financial aid. Student contacts were up 8 percent and need-based applications were up 11 percent over the prior year.

Excluding regular student employment and veterans' educational benefits, a total of 6,563 students received one or more types of assistance. Of this number, 5,477 filed the Free Application for Federal Student Aid (FAFSA). Both figures represent an increase over the 2000-2001 year.

Various University offices administered 15,480 awards for a total of \$32,665,979 in student financial assistance. The distribution of awards by funding source is given below.

<u>Sources</u>	<u># of Awards</u>	<u>Award Totals</u>	<u>% of Total Dollars</u>
Federal Government	7,148	\$22,560,729	69.1
State of Indiana	1,859	2,740,199	8.4
University of Southern Indiana	4,652	5,095,070	15.6
USI Foundation	497	568,849	1.8
USI Varsity Club	108	189,077	.6
Private Sources	<u>1,216</u>	<u>1,482,055</u>	<u>4.5</u>
	15,480	\$32,635,979	100

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Growth trends in student financial assistance are summarized below.

<u>Activity Indicators</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Student Contacts	+10%	-4%	+8%
Need-based Applications	+13	-8	+11
Number of Awards	+5	+7	+4
Total Dollar Volume	+8	+13	+11

Student financial assistance may be categorized by aid type: grants; loans; and on-campus employment. In 2001-2002, spending was distributed as follows:

<u>Categories</u>	<u># of Awards</u>	<u>Award Totals</u>	<u>%Total Dollars</u>
Grants (includes scholarships)	8,558	\$12,960,796	39.7
Loans (includes short-term)	5,764	17,959,401	55.0
On-Campus Employment	<u>1,158</u>	<u>1,715,782</u>	<u>5.3</u>
	15,480	\$32,635,979	100

Total student financial assistance funding continues to grow as enrollment increases. Commuter students find direct institutional costs manageable with semester bills of less than \$2,000 on average. Students who live on campus and take advantage of a food plan often have a greater challenge, with direct costs averaging \$4,500 per semester. When textbooks are added to these costs, "full-need" students find they must take student loans to make ends meet. Middle income families often find that with less gift aid, they must borrow more than "full-need" students. Many parents also supplement the limited freshman and sophomore Stafford Loans with Parent PLUS Loans.

Student loans represent over half of total student aid. The trend toward an increase in individual student borrowing is sharply up among baccalaureate students in the class of 2002. Part of this may be attributed to an increase in Parent PLUS Loan denials. Some dependent students discover that their parents cannot qualify for Parent PLUS Loans. These students are then conditionally qualified to borrow Stafford funds at the higher maximums usually reserved for independent students.

The trend in borrowing among graduate students appears to be leveling off. There was no significant increase in aggregate borrowing for the class of 2002 when compared to the class of 2001.

The foundation of financial aid packages for the most needy is the Pell Grant. The number of Pell Grant recipients increased 8 percent with total dollars increasing 25 percent. This represents the largest single year increase for this program in recent years. This compares to a Stafford Loan dollar volume increase of only 7 percent following the prior year's increase of 16 percent.

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Growth of Indiana Higher Education Award funding has not kept pace with federal grants. There were only two additional student awards and \$40,351 less funding when compared to the prior year. In 2001-2002, the State Student Assistance Commission of Indiana (SSACI) implemented cost-savings measures that impacted students at institutions that assess tuition by the credit hour (as opposed to bracketed tuition). We expect a further decline in 2002-03 due to new SSACI rules that cause students to lose their entire state awards if they drop below full time in the first four weeks of a semester (tuition refund period).

Changes in expenditure levels are summarized by source below.

<u>Sources</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Federal Government	+7%	+14%	+13%
State of Indiana	+6	+2	+7
University of Southern Indiana	+12	+11	+6
USI Foundation	-4	+7	+11
USI Varsity Club	+4	+24	+30
Private Sources	+8	+11	+22
Aggregate Change	+8%	+12%	+11%

Aggregate borrowing for Stafford Student Loan recipients among the Class of 2002 baccalaureate graduates averaged \$15,075, up 14 percent from the 2001 class average of \$13,222. Among year 2002 masters' degree recipients, aggregate borrowing averaged \$23,045, including both graduate and undergraduate borrowing. This figure represents an increase of less than 1 percent over the prior year.

The University's Stafford Loan default rate was 5.9 percent for fiscal year 2000, the most recent year available. A 12-year summary of USI's Stafford Loan default rates appears below.

Stafford Loan Default Rates

1989	3.5%	1992	3.5%	1995	10.8%	1998	4.3%
1990	7.4	1993	3.5	1996	10.3	1999	4.7
1991	4.7	1994	5.9	1997	7.8	2000	5.9

In 2001-2002, 3,870 Stafford Loan borrowers filed 5,260 Stafford Loan requests. About \$19 million in Stafford and Parent PLUS Loans were guaranteed for our students and nearly \$17 million were disbursed.

New Program

The Distinguished Scholars Award (DSA) was created in the past year and first awarded to the entering freshman class for fall 2002. This award offsets the non-resident portion of tuition for students who rank first or second in their class and earn a minimum SAT of 1100 or ACT of 25. Six students enrolled with an anticipated fee remission cost of \$30,364 for the first year.

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Expanded Program

The Community Service component of the Federal Work Study program was expanded in 2001-2002 to include several United Way agencies. The new positions for student workers are in addition to the America Reads/America Counts program supervised by the Teacher Education Department.

The positive impact USI students have had on the community is evidenced by the following quote from Carol Schmidt of the Mental Health Association:

“I just wanted to take a moment to let you know how pleased we were with the students referred to us through this Work Study program. The students... did a wonderful job. Without the funding assistance this program provided, we would not likely have been able to make this Day Camp project a reality in 2002.”

Approximately \$17,600 was earned by students working at the United Way agencies and \$11,125 was earned by America Reads/America Counts tutors working in the public schools.

Perkins Loan

The University's participation in the Federal Perkins Loan program ended with the 2001-2002 award period. The level of funding had not generated sufficient administrative cost allowance to pay for the annual collection costs of the portfolio. Without a massive infusion of institutional matching funds, the federal funding to sustain the cost effectiveness of the program could not be obtained. With the Stafford Loan program providing \$15 million each year and requiring no matching funds, the Student Financial Assistance staff and the Business Office staff agreed that the University's resources could be better applied elsewhere.

Conclusions

Financial aid resources are effectively utilized by the University to achieve the following objectives:

- 1) Provide monetary assistance to students for educational purposes.
- 2) Assist students and families in financial planning for higher education.
- 3) Properly administer governmental, agency, University, and donor funding of student financial assistance programs.
- 4) Facilitate the recruitment and retention of students.
- 5) Implement new student financial assistance programs.
- 6) Improve communication, both external and internal, regarding financial aid programs.

Attachments

Table I summarizes all financial aid programs.

Table II provides an overview of the University's student financial assistance programs.

TABLE I - SUMMARY OF STUDENT FINANCIAL AID PROGRAMS

September 30, 2002

	1999-2000		2000-2001		2001-2002	
	# of Awards	Total Dollars	# of Awards	Total Dollars	# of Awards	Total Dollars
A. Federal Programs						
1. Pell Grants	1,840	\$ 3,241,794	1,909	\$ 3,593,609	2,069	\$4,490,468
2. Supplemental Grants (a)	253	243,239	316	214,949	283	228,099
3. Perkins Loans	11	22,900	15	23,815	8	12,050
4. Federal Work Study (b)	186	244,925	188	230,939	174	237,879
5. Stafford (Student) Loans	3,407	12,178,268	3,654	14,128,265	3,870	15,169,169
6. Parent PLUS Loans	312	1,197,770	442	1,347,004	473	1,811,683
7. Veterans' Educational Benefits	208	429,250	237	472,789	239	581,674
8. Graduate Nursing Stipend	<u>22</u>	<u>30,726</u>	<u>27</u>	<u>32,267</u>	<u>32</u>	<u>29,707</u>
Federal Totals	6,239	17,588,872	6,788	20,043,637	7,148	22,560,729
B. State Programs						
1. Higher Education Awards	1,298	1,918,931	1,207	1,905,490	1,209	1,865,139
2. Part-Time Higher Ed Awards	118	61,917	149	89,600	119	85,931
3. Hoosier Scholarships	18	9,000	19	9,500	23	11,500
4. 21 st Century Scholarships	287	324,312	288	351,206	347	472,278
5. Vocational Rehabilitation	74	120,142	67	127,714	71	161,537
6. State Work Study	2	1,064	4	2,033	4	2,268
7. Other State Scholarships	14	24,596	25	28,500	41	61,362
8. National Guard Supp. Grant			<u>22</u>	<u>38,569</u>	<u>45</u>	<u>80,184</u>
State Totals	1,811	2,459,962	1,781	2,552,612	1,859	2,740,199
C. Institutional Programs (See Table II)	4,581	4,312,382	4,806	4,803,499	4,652	5,095,070
D. USI Foundation Programs	429	478,024	463	511,867	497	568,849
E. USI Varsity Club Athletic Aid (c)	75	117,653	90	145,939	108	189,077
F. Corporate and Private Programs (d)	849	1,085,159	997	1,215,138	1,216	1,482,055
Totals for All Programs	13,984	\$26,042,052	14,925	\$29,272,692	15,480	\$32,635,979

(a) Federal Supplemental Grants require 25% in matching funds. Matching is accomplished with the Indiana Higher Education Awards. Starting with the 2000-2001 year, only federal funds are included on this line.
 (b) Federal Work Study wages include 25% institutional matching funds. Seven percent of total wages must be spent on community service such as America Reads/America Counts and placement at United Way agencies.
 (c) USI Varsity Club Athletic Aid includes funds transferred to the athletic department from special accounts in the USI Foundation but does not include athletically related Foundation scholarship awards paid directly to individual students.
 (d) Corporate and private programs were overstated in the two prior years and have been corrected.

TABLE II - Institutional Financial Aid Program Summary - September 30, 2002

	1999-2000	2000-2001	2001-2002
	# of Awards	# of Awards	# of Awards
	Total Dollars	Total Dollars	Total Dollars
1. Academic Honors Diploma Grant	481	\$443,510	\$351,282
2. Academic Achievement Award	---	---	---
3. Academic Excellence Award	24	62,349	1,000
4. Athletic Grant-in-Aid (a)	168	348,801	60,373
5. B/MD Scholarship	---	---	396,047
6. Child of Disabled Veteran	198	265,010	4,504
7. Child of Employee Fee Remission	78	72,070	363,359
8. Departmental Scholarship	---	---	81,104
9. Employee Fee Remission	99	78,269	356,672
10. Fifth-Year Non-Resident Fee Remission	6	13,506	83,205
11. General Fee Remission (b)	300	95,103	10,418
12. Non-Resident Scholarship/Grant	243	524,863	127,461
13. Retired Individuals Fee Remission	16	2,819	658,614
14. Scholastic Excellence Award	503	620,781	2,514
15. Institutional Supplemental Grant	1	500	371,411
16. Resident Assistants Room/Board	53	115,419	---
17. Spouse of Employee Fee Remission	18	11,553	117,748
18. Spouse of Full-Time Student Remission	14	6,348	14,783
19. 21 st Century Textbook Awards	<u>136</u>	<u>25,300</u>	4,382
Fee Remit/Grant-in-Aid Subtotals	2,338	2,686,201	<u>22,900</u>
20. Short-Term Loans for Book and Supplies	1,276	544,347	3,027,777
21. Institutional Student Employment (c)	<u>967</u>	<u>1,081,834</u>	527,747
Totals for All Programs	4,581	\$4,312,382	<u>1,247,975</u>
		4,806	\$5,095,070
		<u>93</u>	<u>16,700</u>
		2,361	3,113,878
		1,311	505,557
		<u>980</u>	<u>1,475,635</u>

(a) Athletic Grant-in-Aid includes tuition fee remission and payments for room, board, and textbooks.

(b) General Fee Remissions are given for English 480 tutors, student government officers, Harlaxton Study Abroad Grants, the College Achievement Program (CAP), graduate assistants, international exchange students, and the Student Housing Association (SHA) Leadership Scholarships.

(c) The number of awards is estimated.



2003 Insurance Renewal

HEALTH/DENTAL AND FLEXIBLE SPENDING ACCOUNTS

Renewal of Plans

- Anthem Blue Cross/Blue Shield - Blue Traditional Plan
- Anthem Blue Cross/Blue Shield - Blue Access Plan
- Welborn HMO Plan
- Health Resources, Inc. (HRI)
- BKD (Baird, Kurtz and Dobson) Section 125 Flexible Spending Accounts

