

**OFFICIAL MINUTES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

November 14, 1991



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The University of Southern Indiana Board of Trustees met in the Conference Center of the New Harmony Inn in New Harmony, Indiana, on Thursday, November 14, 1991. Present were Trustees Bruce Baker, Percy Clark, Jr., David Huber, Thomas McKenna, Joseph O'Daniel, Kristel Swan, Robert Swan, and Harolyn Torain. Also attending were President David Rice; Vice Presidents Donald Bennett, Robert Reid, Sherrienne Standley, and Byron Wright; and Faculty Senate Chairperson David Kinsey.

There being a quorum present, Mr. O'Daniel called the meeting to order at 2:10 p.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF SEPTEMBER 5, 1991, MEETING

On a motion by Mr. Baker, seconded by Mr. Swan, the minutes of the September 5, 1991, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting was tentatively set for January 9, 1992, in Indianapolis, Indiana.

C. REPORT ON THE UNIFIED PROGRAM OF HISTORIC NEW HARMONY

Dr. Rice welcomed members of Historic New Harmony and all those participating in the study groups for the unified program. He called on Associate Vice President for Academic Affairs Ed Jones to report on developments of the unification process.

Dr. Jones introduced Mr. Tim Mahoney, economics instructor and Coordinator of the Southern Indiana Labor-Management Education Forum to present information about the three study committees -- long-range planning, finance, and programs/operations/marketing -- and the recommendations each has made to the New Harmony Commission. Mr. Mahoney said that a report from the study committees was reviewed by the New Harmony Memorial Commission and adopted by the Indiana legislature, which led to the development of a unified plan between the Department of Natural Resources State Museums and Historic Sites and the University of Southern Indiana. Mr. Mahoney presented a general overview of recommendations made by the committees. He said the program/marketing committee recommendations include a marketing operations plan, market research, and advertising/promotion. He reported that the finance committee recommendations include efficient use of resources by unified operations and the focus on new revenue sources. He added that the long-range planning committee recommendations include a unified plan for development, a comprehensive mission statement, and a focus on varied interests and needs of all visitors. Mr. Mahoney reported that the University continues to receive input from all entities in the New Harmony community as part of this unified program.

Mr. Mahoney presented information about the five major components of New Harmony's mission -- to convey an understanding and appreciation of the creative endeavors, to maintain a warm and rich environment, to provide a setting conducive to retreats, to encourage social and economic development of a vibrant living community, and to integrate Harmonie State Park and the Wabash River with the historical and cultural aspects of New Harmony. Mr. Mahoney stated that the University is currently in the early phase of implementation, and it will be critically important to continue to receive input from all interested constituent groups.

Dr. Jones explained the role of Extended Services within the University. He said that Historic New Harmony complements Extended Services' programs, while those programs also provide support to Historic New Harmony.

Mr. Sanders presented a map of Historic New Harmony showing owners of the major properties in New Harmony. He reported that for Historic New Harmony's strategic five-year plan, six major concepts will be developed. He said those elements include finance, education, promotion, public relations, collections and preservations, and tours. He added that it will be important to combine efforts of the State Museums and Historic Sites and Historic New Harmony to implement basic components of the long-range plan. Discussion followed on those basic components.

Dr. Jones called on Ms. Jean Lee, curator of Historic New Harmony and the State Historic Sites. Ms. Lee reported that she will oversee cataloguing the collections and will be entering 7,000 artifacts from the State Historic Sites, 1,000 artifacts from Historic New Harmony, and 2,000 artifacts from General Electric. She added that computerizing this process will aid in the tracking of collections and facilitate better access for research. Ms. Lee reported that it is also important to oversee the proper care and storage of these collections.

Ms. Lee reported that the New Harmony Historic Sites will be coordinating an interpretive plan. She said that in developing the interpretive plan, consideration will be given to the most important periods in New Harmony history and how that history can be interpreted at the historic sites. She added that after defining and presenting this message, the kinds of tours and programs -- delivering the message -- will be determined. Ms. Lee stated that a plan will be presented to interpretive participants for review before a final plan is presented to the New Harmony Commission early next year. She added that it will be extremely important to continually evaluate this interpretive plan.

Dr. Jones mentioned that significant progress has been made in meeting the goals of the unified program. He added that all the constituencies are vital to this process. Dr. Jones introduced Mr. Richard Gantz, Director of Museums and State Historic Sites. Mr. Gantz reported that recognizing deficiencies now is beneficial because these areas can be sufficiently addressed. In addition, he said through this new arrangement, Ms. Lee has the opportunity to concentrate on a particular aspect of the program -- interpretation -- allowing her to set a new standard that will be beneficial to the entire operation and the other State Historic Sites. Discussion followed on the development of this unified program.

D. PRESIDENT'S REPORT

Dr. Rice reported that the State Budget Committee recently approved proceeding with the Health Professions Building. Mr. Wright added that the architects are revising the plans and the land is being surveyed. He added that the University anticipates proceeding with bids in June and groundbreaking in July.

Dr. Rice reported that the engineers are moving forward with the Eickhoff-Koressel road project and plan to have bids ready in fall, 1992 and begin construction during 1993.

Dr. Rice reported that two faculty members, Walter and Eva Jermakowicz, are on leave in Poland, where they are helping Poland make the transition to a new economy. He added that both would be pleased to present their experiences to the Board when they return.

Dr. Rice called on Mrs. Tish Mumford, a member of Harmonie Associates and secretary of the USI-New Harmony Foundation, who invited all those interested to attend a dinner and address in New Harmony on November 22 by Dr. R. David Edmunds, author of several books and articles on native Americans.

Dr. Rice called on chairperson Percy Clark to present the report from the Long-Range Planning Committee. Dr. Clark said that the committee reviewed the Higher Education Services Plan including the mission statement and new programs and program improvements in the development plan. He said that the accreditation status of USI programs, enrollment projections, and capital projects also were discussed.

Dr. Rice called on chairperson Bruce Baker to present the report from the Finance Committee. Mr. Baker said that the committee reviewed several agenda items for the Board's approval. He said that financing options for the Health Professions Building, annual report data, and the University's athletic and recreational facilities also were discussed.

SECTION II - FINANCIAL MATTERS

A. APPROVAL OF PREMIUM RATES FOR CONCERN: EMPLOYEE ASSISTANCE PROGRAM

CONCERN: EAP is a comprehensive employee assistance program which provides assessment, short-term counseling, referral and follow-up services for 431 employees and members of their immediate families. Since the program was adopted in February 1987, the utilization rate has been approximately 6.13 percent per year.

A renewal rate of \$24.40 per employee per year has been quoted for the twelve-month period beginning February 1, 1992. The University pays the annual cost for the program. The current renewal includes a capitation rate of 10 percent (\$2.30) for the total amount of increase for the period of February 1, 1991, through January 31, 1994, with rate changes negotiated on an annual basis. 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.

ANNUAL PREMIUM RATES PER EMPLOYEE

Present <u>1991-92</u>	Proposed <u>1992-93</u>
\$23.65	\$24.40

On a motion by Mr. McKenna, seconded by Mr. Swan, the renewal of the master policy with the Deaconess Service Corporation beginning February 1, 1992, was approved.

B. APPROVAL OF PREMIUM RATES FOR BLUE CROSS/BLUE SHIELD GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE

The following Blue Cross/Blue Shield health insurance monthly premium rates have been quoted for a twelve-month period beginning January 1, 1992. The renewal rates include an increase in the Major Medical maximum from a contract maximum of \$250,000 per insured to \$1,000,000 per insured; an increase in the Major Medical deductibles from \$100 per person with a \$200 family deductible to \$150 per person with a \$300 family deductible; and the addition of a \$200 Wellness Benefit. Services covered under the Wellness Benefit are not subject to the contract deductible and are payable at 50 percent.

The premium rates effective January 1, 1992, for Blue Cross/Blue Shield have increased 12 percent for single, family, and retiree coverage. The renewal calculations reflect the income required to cover the claims and administrative costs based on the University's projected claims experience and current medical trends.

The monthly premium rates for Health Resources, Inc. dental insurance will remain the same for the 1992 contract year as they were for the 1990-91 contract year. The fifteen-month renewal effective October 1, 1991, includes an increase in the non-orthodontic benefit from \$800 to \$1000 per contract year and an increase in the lifetime orthodontic benefit from \$800 to \$1000. Health Resources is administered locally and provides services for 12,000 members in the local area.

Blue Cross/Blue Shield/Health Resources, Inc. provides the primary health/dental insurance for 303 employees, dependents, and retirees. The University contribution for single, family, and retiree coverage is 75 percent of the total premium.

On a motion by Mrs. Torain, seconded by Mr. McKenna, renewal of the master policies with Blue Cross/Blue Shield with changes in the Major Medical Maximum, the deductibles, and the addition of the Wellness Benefit and with Health Resources, Inc. including the benefit changes with the following rate schedule for 1992 was approved.

1990-91 MONTHLY PREMIUM RATES

	<u>Medical Premium</u>	<u>Dental Premium</u>	<u>Total Premium</u>	<u>University Contribution</u>	<u>Employee Contribution</u>
Single	\$127.91	\$12.76	\$140.67	\$105.49	\$35.18
Family	326.97	33.56	360.53	270.39	90.14
Over 65 (Retired)	115.97	12.76	128.73	102.73	26.00

1992 MONTHLY PREMIUM RATES

	<u>Medical Premium</u>	<u>Dental Premium</u>	<u>Total Premium</u>	<u>University Contribution</u>	<u>Employee Contribution</u>
Single	\$143.26	\$12.76	\$156.02	\$117.02	\$39.00
Family	366.21	33.56	399.77	299.83	99.94
Over 65 (Retired)	129.89	12.76	142.65	106.99	35.66

C. APPROVAL OF PREMIUM RATES FOR WELBORN HMO GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC., DENTAL INSURANCE

Since October 1988, the University of Southern Indiana has offered Welborn HMO/Health Resources, Inc. as an alternative health/dental benefit program. Welborn HMO is administered locally and currently provides services for over 32,000 members in the local area.

The premium rates for Welborn HMO effective January 1, 1992, have increased 14.5 percent for single coverage, 14.6 percent for family coverage, and 68.2 percent for retiree coverage. The renewal coverage for retirees includes the addition of a prescription drug benefit.

The monthly premium rates for Health Resources, Inc. dental insurance will remain the same for the 1992 contract year as they were for the 1990-91 contract year. The fifteen-month renewal effective October 1, 1991, includes an increase in the non-orthodontic benefit from \$800 to \$1000 per contract year and an increase in the lifetime orthodontic benefit from \$800 to \$1000.

Welborn HMO/Health Resources, Inc. provides the primary health and dental insurance coverage for 114 employees, dependents, and retirees. The University contribution for single, family, and retiree coverage is 75 percent of the total premium.

On a motion by Mr. Swan, seconded by Mrs. Torain, renewal of the master policies with Welborn HMO and Health Resources, Inc., including the benefit changes with the following rate schedule for 1992, was approved.

1990-91 MONTHLY PREMIUM RATES

	<u>Medical Premium</u>	<u>Dental Premium</u>	<u>Total Premium</u>	<u>University Contribution</u>	<u>Employee Contribution</u>
Single	\$112.50	\$12.76	\$125.26	\$ 93.94	\$31.32
Family	302.25	33.56	335.81	251.85	83.96
Over 65 (Retired)	69.00	12.76	81.76	61.32	20.44

1992 MONTHLY PREMIUM RATES

	<u>Medical Premium</u>	<u>Dental Premium</u>	<u>Total Premium</u>	<u>University Contribution</u>	<u>Employee Contribution</u>
Single	\$128.76	\$12.76	\$141.52	\$106.14	\$35.38
Family	346.36	33.56	379.92	284.94	94.98
Over 65 (Retired)	116.08	12.76	128.84	96.63	32.21

D. APPROVAL OF RESOLUTION FOR FLEXIBLE BENEFIT PLAN FOR ELIGIBLE EMPLOYEES

On April 1, 1990, the University implemented a Section 125 Flexible Benefit Plan for employees participating in health insurance programs. The Plan allows active employees to pay their share of premiums for health care prior to the application of federal, state and local income taxes, and FICA (Social Security and Medicare) taxes. Currently 91 percent of the eligible employees are participating in the Flexible Benefit Plan.

Effective January 1, 1992, the University plans to expand the Section 125 Flexible Benefit Plan to include Flexible Spending Accounts for unreimbursed health care, dependent care, and alternative insurance expenses using George S. Olive and Company as the Plan Administrator. The Spending Accounts will allow participants to set aside money to pay for eligible expenses from gross pay before taxes have been withheld. Participation by employees is optional. The benefit to individual employees is the opportunity to pay eligible expenses with before-tax dollars thus lowering their taxable income and tax liability for federal, state and local income taxes, and FICA (Social Security and Medicare) taxes. The University saves its matching share of FICA taxes. Because a participant's contributions are subject to FICA tax, an individual's ultimate Social Security benefits could be decreased in those instances where the participant's earnings subject to FICA tax are less than the annual earnings base subject to tax.

Administration of the Flexible Benefit Plan is subject to the guidelines of Section 125 of the Internal Revenue Code. The monthly cost for administration of the Flexible Spending Accounts is \$4.50 per participant paid to the Plan Administrator. There is no charge for administration of the premium conversion section of the expanded Plan.

On a motion by Dr. Clark, seconded by Mr. Huber, the following resolution to establish the expanded Flexible Benefit Plan effective January 1, 1992, was approved.

WHEREAS, The University hereby terminates the existing Flexible Benefit Plan, with premium conversion privileges only, effective December 31, 1991, and

WHEREAS, The University may, under Section 125 of the Internal Revenue Code, establish an expanded Flexible Benefit Plan for employees, and

WHEREAS, Under the Plan employees would not be required to pay taxes on their share of health care premiums or amounts placed in Flexible Spending Accounts, and

WHEREAS, The tax savings would result in an increase in take-home pay, and

WHEREAS, The University of Southern Indiana is hereby designated as agent for service of legal process with respect to the Plan,

NOW THEREFORE BE IT RESOLVED that the Board of Trustees approve the expanded Flexible Benefit Plan, as described in agenda item D, effective January 1, 1992.

E. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

On a motion by Mr. Baker, seconded by Mr. Swan, the following Budget Appropriations, Adjustments, and Transfers were approved.

1. Transfer and Appropriation of Funds

From:	2-22000	Extended Services Revolving Funds	
To:	1-10900	Extended Services Capital Outlay	\$ 915.71
To:	1-10921	Academic Skills Capital Outlay	1,348.25
From:	0-85013	USI Race Funds	
To:	3-30700	Athletics Grant-In-Aid Supplies and Expenses	2,800.00

2. Appropriation of Funds

From:	Unappropriated Current Operating Funds		
To:	1-10200	Liberal Arts Supplies & Expense	1,562.33
To:	1-10250	History Supplies & Expense	300.00
To:	1-10310	Biology Supplies & Expense	197.26
To:	1-10340	Chemistry Supplies & Expense	200.00

To:	1-10700	School of Business Supplies & Expense	130.00
To:	1-13200	Library Capital Outlay	16,500.00
To:	1-14004	Counseling Personal Services Supplies & Expense	68.00 413.61
To:	1-15000	Physical Plant Capital Outlay	3,500.00
From:	Student Activities Cash Reserves		
To:	2-20000	Student Activities Capital Equipment	1,666.34
From:	Unappropriated University Center Funds		
To:	3-30200	University Center Supplies & Expenses	2,400.00
From:	Unappropriated Athletics Funds		
To:	3-30600	Athletics - General Operations Supplies and Expenses	1,808.00
To:	3-30603	Athletics Men's Tennis Supplies & Expense	667.00
To:	3-30610	Athletics-Soccer Supplies & Expenses	45.00
From:	Unappropriated Young Abe Lincoln '91 Funds		
To:	3-32000	Young Abe Lincoln '91 Supplies & Expenses	1,700.00
From:	Unappropriated Young Abe Lincoln '92 Funds		
To:	3-32020	Young Abe Lincoln Outdoor Drama '92 Personal Services Supplies and Expenses Capital Outlay	234,920.00 211,980.00 25,000.00

From:	Unappropriated Restricted Funds		
To:	4-45082	Economic Education 91-92 Supplies & Expense	13,400.00
To:	4-45989	Fellowship for Intentional Communities Supplies & Expense	1,500.00
To:	4-45994	Technical Assistance Center Personal Services Supplies & Expense	85,900.00 14,100.00
To:	4-45996	Teachers Under Cover Personal Services Supplies & Expense	26,633.00 108,187.00
To:	4-46101	Technical Assistance Center Fly Ash Project Supplies & Expense	1,000.00
To:	4-46126	Local Economic Development Organization (LEDO) Grant Personal Services	30,000.00
To:	4-46209	Berger Commemorative Lecture Personal Services	700.00
To:	4-46303	Faculty/Student Research - Professor Dunn Supplies & Expense	1,250.00

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTION

On a motion by Mr. McKenna, seconded by Mr. Baker, the following personnel action was approved.

1. Approval of Early Retirement

J. Jeff Hays, Director of Purchasing, in accordance with the early retirement policy, has requested early retirement effective January 1, 1993, including leave with pay for the period of July 1, 1992, through December 31, 1992. Severance pay based upon 15 years of service to the University will be paid as of December 31, 1992.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,



Thomas F. McKenna, Secretary