



**UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES MEETING**  
**The Columbia Club, Indianapolis, IN**  
**Thursday, 1/8/2009**  
**9:30 am to 11:00 am ET**

**SECTION I - GENERAL AND ACADEMIC MATTERS**

**A. APPROVAL OF MINUTES OF NOVEMBER 6, 2008, MEETING**

Approve

*1108 Board of Trustees Meeting Minutes - Page 3*

*1108 Finance/Audit Meeting Minutes - Page 17*

*1108 Long-Range Planning Committee Meeting Minutes - Page 21*

**B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**

Brinker Present

**C. PRESIDENT'S REPORT**

Hoops Present

*0109 Faculty Senate Report Document - Page 22*

**D. REPORT ON THE INDIANA GENERAL ASSEMBLY**

Brinker Present

A report will be presented on the 2009 session of the Indiana General Assembly, including the initial budget recommendation from the Commission for Higher Education compared to USI's approved budget request (Exhibits I-A and I-B).

*0109 Exhibit I-A 2009-11 Operating Budget Summary/Comparison - Page 26*

*0109 Exhibit I-B 2009-11 Comparison of Request for Budget Increases with Indiana Commission for Higher Education - Page 27*

**E. APPROVAL OF CONFLICT OF INTEREST STATEMENTS**

Rozewski Approve

Approval of the following Possible of Conflict of Interest Statements is recommended.

*0109 Possible Conflict of Interest Disclosure Statements 2009 - Page 28*

**SECTION II - FINANCIAL MATTERS**

**A. APPROVAL OF RESOLUTIONS AUTHORIZING SERIES J BONDS**

Rozewski Approve

Approval of the Resolutions of the University of Southern Indiana Board of Trustees Authorizing Series J Bonds in Exhibit II-A is recommended.

*0109 Exhibit II-A Resolutions of the USI Board of Trustees Authorizing Series J Bonds - Page 31*

**B. REPORT ON CURRENT CONSTRUCTION PROJECTS**

Rozewski Present

*0109 Presentation on Current Construction Projects - Page 35*

*0109 Summary of Current Construction Projects - Page 56*

**SECTION III - PERSONNEL MATTERS**

**A. APPROVAL OF PERSONNEL ACTIONS**

Bennett      Approve

Approval of the following personnel action is recommended.  
*0109 Approval of Personnel Actions - Page 58*

## MINUTES

### UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

**November 6, 2008**

The University of Southern Indiana Board of Trustees met in regular session on Thursday, November 6, 2008, in Carter Hall in the University Center. In attendance were Chair John M. Dunn and Trustees Ira G. Boots, W. Harold Calloway; Jamie L. Johnson '09; Jeffrey L. Knight, Amy MacDonell; Ronald D. Romain '73; Steven J. Schenck '72; and Ted C. Ziemer Jr. Also attending were President H. Ray Hoops; Provost and Vice President for Academic Affairs Linda L. M. Bennett; Vice President for Government and University Relations Cynthia S. Brinker; Vice President for Student Affairs Robert W. Parrent; Vice President for Business Affairs Mark Rozewski; Faculty Senate Chair Lesa Cagle; and Student Government Association President Amy Beard '09.

Mr. Dunn called the meeting to order at 2:45 p.m.

Jesse Wardrip, a USI student and representative of *Spectrum: USI's Gay, Lesbian, Bisexual, Transgendered and Straight Alliance* addressed the Board of Trustees and presented petitions signed by members of the USI community to "encourage the University of Southern Indiana Board of Trustees to adopt the resolution to offer Same Sex Domestic Partner Benefits to faculty and staff members at the University of Southern Indiana."

#### **SECTION I - GENERAL AND ACADEMIC MATTERS**

##### **A. APPROVAL OF MINUTES OF SEPTEMBER 3, 2008, MEETING**

On a motion by Mr. Calloway, seconded by Mr. Knight, the minutes of the September 3, 2008, meeting were approved.

##### **B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**

Mr. Dunn called on Vice President Brinker, who announced the next meeting of the Board of Trustees is scheduled for Thursday, January 8, 2009, at the Columbia Club in Indianapolis. A dinner for Indianapolis friends of the University will be held on Wednesday, January 7, 2009.

##### **C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**

The Long-Range Planning Committee met prior to the Board of Trustees meeting on November 6, 2008. Mr. Dunn called on Committee Chair Harold Calloway, who reported the Committee reviewed the Academic Program Development Plan and heard a report on Living Learning Communities. He asked Provost Bennett to report further.

Dr. Bennett reported the Academic Program Development Plan has remained unchanged since March 2008. The proposed baccalaureate program in Criminal Justice is under review by the Indiana Commission for Higher Education. The academic programs most likely to move through the approval process in the coming year are a master's degree program in communication and baccalaureate degree programs in environmental sciences and biochemistry.

The Living Learning Communities (LLC) program is a successful retention tool which combines a campus residential experience with coordination of class schedules so that students living together in the same residence hall also take the same classes. The combination of these activities requires collaboration between Academic Affairs and Student Affairs and evidence of that collaboration was given by Dr. Jeff Thomas, the faculty coordinator of the program, and Laura Berry, Director of Residential Life, in their report to the Committee. The Office of Residential Life creates programming in the residence hall to coordinate with the academic themes of the learning communities. The result is a retention rate of these students that is often 20 percentage points higher than the general student population. There are currently 165 students participating in seven LLCs with plans to expand the program.

## D. PRESIDENT'S REPORT

President Hoops began his report by noting that beginning with today's meeting, the Board of Trustees implements the use of Directors Desk, a board portal that allows the Board to access information through a convenient web interface. The Board will view agenda documents on computers for the first time, while the same documents will be projected for viewing by those in the audience. Dr. Hoops expressed confidence that this innovative communication tool will efficiently provide information while reducing the amount of paper required for printed materials.

The president called on Amy Beard, president of the Student Government Association (SGA), for a report. Ms. Beard reported the SGA Executive Board attended a national student government conference in Washington, DC, in September, where its members made valuable contacts and gathered ideas to bring back to others in the General Assembly. In October, SGA sponsored a Town Hall event to inform students about Travel Grants and Student Organization Support grants. Also in October, the group sponsored National Collegiate Alcohol Awareness Week activities and kicked off the basketball season with Midnight Madness, an event co-sponsored with the Department of Athletics. SGA will sponsor the Red Zone again this year to promote student support for athletics. A reception for evening and commuter students was held in November. Ms. Beard concluded her report by noting the General Assembly has invited distinguished speakers to its fall meetings, including President Hoops, Vice President Parrent, and Provost Bennett.

Dr. Hoops reported the Residence Life Community Center opened in early September and students are enjoying its comfortable spaces for relaxation, a convenience store, and other amenities. Residence Life sought input from student focus groups for the design of the building, which has become a popular gathering place for the campus community.

The USI Alumni Association and the USI Parents and Families Association sponsored two events this fall to reach out to alumni and parents in Knox and Dubois counties in southern Indiana. Dr. Hoops and others shared the story of USI's mission and the University's growth in enrollment, academic programs, and facilities. These events were well received and similar events are planned for other areas with large populations of alumni and current students.

President Hoops was pleased to report the College of Nursing and Health Professions has received a national award for curricular innovation in gerontological nursing education. The award was presented by the American Association of Colleges of Nursing at its annual meeting in Washington, DC. The baccalaureate-level curricular innovation award was established to recognize nursing programs that demonstrate a strong commitment to geriatric nursing. The association will distribute information about the USI program as a model of excellence to other nursing programs nationwide.

Dr. Hoops called on Provost Bennett to introduce the Academic Report about a campus event that allowed USI students to participate in the national DebateWatch program sponsored by the Commission for Presidential Debates. Dr. Bennett introduced Associate Professor of Communication Studies Leigh Anne Howard, who developed the idea for Debate-A-Palooza, an event surrounding the first presidential debate of 2008. Dr. Howard shared the following goals for Debate-A-Palooza, a non-partisan voter education event:

- To encourage students and community members to learn about the political process;
- To help citizens make informed choices; and
- To support USI's mission statement to encourage citizens to be responsive to the community.

Dr. Howard described the event on September 26, 2008, at which more than 500 students, faculty, and community friends gathered on the quad to watch a live feed of the debate on two jumbo screens. Live music and food were provided and student-led small-group discussions followed the debate. Students could register to vote or get an absentee ballot at the event, which was successful in meeting its goals.

In October, a four-member team of accounting students from the College of Business won first place for the fifth consecutive year in the annual Indiana CPA Society Case Study Competition. As first-place winners, each of the USI team members received a \$1,000 award. The competition is designed to challenge students with a practical project requiring them to use their knowledge, skills, and judgment. It provides the kind of practical

experience they might use as CPAs in today's business world. The case study for this year's competition called upon the teams to develop a new business model for CPA firms. Dr. Hoops was pleased to introduce the faculty coach, Jeanette Maier-Lytle, who introduced team members Bradley Greene, Ashley Hancock, Scott Roberts, and David Ubelhor, who were congratulated by the Trustees.

Dr. Hoops asked Provost Bennett to report on USI's annual Assessment Day, scheduled on Tuesday, November 11. Dr. Bennett noted the increased attention to accountability standards on college campuses and that USI is recognized in the state of Indiana as a leader in its assessment practices, including Assessment Day. For 20 years, USI has gathered systematic data about student learning through a battery of assessment tests. She reported that classes are canceled for a day (Tuesday, November 11 this year) to permit the administration of the following tests:

Freshmen (MAPP - Measure of Academic Proficiency and Progress) - to tap general education learning as a baseline measure. Areas tested include critical thinking, reading, and basic quantitative skills.

Juniors (who started at USI as freshmen) – repeat MAPP to assess development since their freshman year.

Seniors (Major Field Exams) – These exams tap fundamental learning in major programs such as the sciences, social sciences, business, and humanities. Scores are compared with those of peers at colleges across the nation.

Dr. Bennett also reported that USI administers other standardized surveys to get a sense of student experience on campus and how students perceive some of the services provided to them. Examples are:

NSSE – National Survey of Student Engagement – which indicates how engaged students are in campus and community life;

CIRP – Cooperative Institutional Research Program – which provides a sense of student experiences before coming to college and what their expectations are for the college experience; and

Other Survey Items – In recent years, USI has added survey items to gauge how students perceive the quality of their academic advising.

Dr. Bennett concluded her report by noting participation rates are high and the value of the assessment process is the data which assists the University in strengthening academic programming at the University of Southern Indiana.

At its meetings in July 2008 and September 2008, the Board of Trustees approved the University's 2007-2009 Capital and Operating Budget Requests. Dr. Hoops reported that on November 19, he will travel to Indianapolis to present the University's requests to the State Budget Committee. He commented that the legislative budget session in 2009 will be challenging for legislators as they work to balance the state's resources with its needs. He anticipates continued support of the legislature for higher education in general and for USI in particular, and noted the University is prepared to weather several difficult budgetary years if necessary. He will keep the Trustees apprised of the budget situation during the session.

Dr. Hoops called on Faculty Senate Chair Lesa Cagle, who reported the Senate has met four times and reviewed charges submitted by USI faculty. The Senate forwarded 22 charges to standing committees and established ad hoc committees to assess mental health services on campus and the scheduling of summer classes. Other charges include reviews of assessment and faculty hiring practices. The Senate will institute a faculty list serve for enhanced communication, and is making plans for the Spring meeting of faculty and administrative staff in January.

Dr. Hoops reported the Presidential Search and Screen Committee continues its work, and called on Sherianne Standley, coordinator of the search, for a report. Mrs. Standley reported the Search and Screen process is on schedule and commended the Committee, whose members are engaged and intent on conducting an exceptional search. The Committee has narrowed the field of candidates and is in the process

of discovering more about those in the semifinalist pool. Because the process is highly confidential, she could not report on names or backgrounds, but she noted the Committee was encouraged by the quality of the applicants. Mrs. Standley plans for the Committee to meet its timeline so the University can welcome the finalists for public campus visits early in the Spring semester.

President Hoops noted the Trustees will be asked to approve candidates for degrees who will graduate in the Fall 2008 Commencement exercises. He invited the Trustees' participation in this, the University's third Fall Commencement, and asked Vice President Brinker to share the plans for this important event. Vice President Brinker reported the Commencement exercises will be held in the Physical Activities Center on Saturday, December 13, 2008. Due to an increased number of graduates, two ceremonies are planned. Degree candidates from the Colleges of Business, Nursing and Health Professions, and Science and Engineering will participate in the ceremony at 10:00 a.m. Degree candidates from the College of Education and Human Services, the College of Liberal Arts, and Extended Services will be honored in the ceremony at 1:00 p.m. The Commencement address for both ceremonies will be given by Professor Sherry B. Darrell. Dr. Darrell is a professor of English, the director of Humanities, and the 2008 Integra Bank Distinguished Professor.

#### **E. APPROVAL OF CANDIDATES FOR DEGREES**

Mr. Dunn called on Provost Bennett, who referred the Trustees to Exhibit I-A, a list of candidates for master, baccalaureate, and associate degrees to be conferred on December 13, 2008. Dr. Bennett recommended approval to award the degrees subject to the completion of all requirements.

On a motion by Mr. Schenck, seconded by Mr. Romain, the awarding of the degrees presented in Exhibit I-A, subject to the completion of all requirements, was approved. A copy of Exhibit I-A is appended to the file copy of these minutes.

#### **F. APPROVAL OF DIVERSITY COMMITTEE**

Mr. Dunn asked Vice President Brinker to review the recommendation to approve a Diversity Committee. Vice President Brinker reported that House Enrolled Act 1256, authorized by the 2007 Indiana General Assembly, requires each public institution of higher education to create a diversity committee. IC 21-27-8-7 requires the University's Board of Trustees to create a diversity committee to do the following:

- (1) Review and recommend faculty employment policies.
- (2) Review faculty and administration personnel complaints concerning diversity issues.
- (3) Make recommendations to promote and maintain cultural diversity among faculty members.
- (4) Make recommendations to promote recruitment and retention of minority students.
- (5) The diversity committee shall issue an annual report stating the findings, conclusions, and recommendations of the committee to the board.

On a motion by Mr. Ziemer, seconded by Ms. Johnson, the appointment of the following individuals to the Diversity Committee was approved:

Karen Altstadt, Administrative Associate, Publishing Services  
 Kirat Baath, Instructor in Biology  
 Deborah Carl, Professor of Dental Hygiene  
 Katherine Draughon, Director of Institutional Research and Assessment  
 Donna Evinger, Director, Human Resources  
 Timothy Jones, Manager of Foundation Accounting  
 Rose Scruggs, Library Associate  
 Joseph Uduehi, Associate Professor of Art Education  
 Linda Bennett, Provost and Vice President for Academic Affairs, ex officio  
 Cindy Brinker, Vice President for Government and University Relations, ex officio  
 Pamela Hopson, Director, Multicultural Center, ex officio  
 Rob Parrent, Vice President for Student Affairs, ex officio  
 Doug Goepfner, ADA Coordinator, ex officio  
 Adam Trinkel, Student Government Appointee, ex officio

## **SECTION II – FINANCIAL MATTERS**

### **A. ANNUAL REPORT OF STUDENT FINANCIAL ASSISTANCE**

Mr. Dunn called on Vice President Parrent, who introduced Director of Student Financial Assistance Mary Jo Harper for a summary of student financial assistance administered by the University during 2007-2008. Ms. Harper summarized trends in funding and distribution of financial aid. She reported the Student Financial Assistance Office served 7,238 enrolled and prospective students in 2007-2008. Applications for need-based assistance were submitted by 10,420 students and 19,060 awards totaling \$56,815,157 were administered by the University. Total funding increased by 8.9 percent over the previous year. Ms. Harper was pleased to report the University's Stafford Loan default rate was four percent and continues to be below the national average default rate. She referred the Trustees to additional information in the 2007-2008 Student Financial Assistance Programs Final Report, which is appended to the file copy of these minutes.

### **B. APPROVAL OF REVISED CREDIT FEE WAIVER POLICY**

Mr. Dunn called on Vice President Brinker to review a recommendation to increase the fee waiver for credit courses and designated miscellaneous fees for spouses and dependents of eligible faculty and staff to 75 percent effective January 1, 2009. Vice President Brinker reported the University's fee waiver policy provides a waiver of one-half of student fees for spouses and dependents of eligible faculty and staff pursuing a baccalaureate degree or for the required credit hours to earn a master's degree. The fee waiver program also includes a waiver of 50 percent of designated miscellaneous fees for spouses and dependents of eligible faculty and staff.

In 2007, the Faculty Senate recommended a review of the fee waiver policy and an increase in the fee waiver to 75 percent for spouses and dependents of eligible faculty and staff.

Ms. Brinker noted fee waiver policies for other state supported institutions in Indiana were reviewed and an analysis of the utilization of the University's fee waiver policy for spouses and dependents of eligible faculty and staff was conducted.

On a motion by Mr. Ziemer, seconded by Mr. Boots, the recommendation to increase the fee waiver for credit courses and designated miscellaneous fees for spouses and dependents of eligible faculty and staff to 75 percent effective January 1, 2009, was approved.

### **C. REPORT OF THE FINANCE/AUDIT COMMITTEE**

The Finance/Audit Committee met prior to the Board of Trustees meeting on November 6, 2008. Mr. Dunn called on Finance/Audit Committee Chair Jeff Knight for a report. Mr. Knight reported the Committee heard a report on audited financial statements and reviewed change orders on construction projects. It approved a recommendation to the Board of Trustees to approve a resolution regarding financing the Business and Engineering Center and University Center Projects. This recommendation will be presented in Item E. The Committee also approved a recommendation to the Board to approve a resolution regarding bank depositories and wire transfer authorizations. This recommendation will be presented in Item D.

### **D. APPROVAL OF RESOLUTION REGARDING BANK DEPOSITORIES AND WIRE TRANSFER AUTHORIZATIONS**

Mr. Dunn asked Vice President Rozewski to review the recommendation of the Finance/Audit Committee regarding the *Resolution Regarding Bank Depositories and Wire Transfer Authorizations*. Mr. Rozewski reported that the resolution, last updated in July 2002, designates various banks as depositories and authorizes University staff to access accounts. He noted the resolution does not reflect any change in practice or banking relationships.

Upon the recommendation of the Finance/Audit Committee, the following *Resolution Regarding Bank Depositories and Wire Transfer Authorizations* was approved.

WHEREAS, the University wishes to update the list of banks designated as depositories in which funds may be deposited and to update the authorizations required for transactions with the depositories;

THEREFORE BE IT RESOLVED the Fifth Third Bank, Old National Bank of Evansville, Integra Bank, and US Bank be and hereby are designated as depositories in which funds of this Corporation may be deposited by its officers, agents and employees; and

FURTHER RESOLVED that the Treasurer is authorized to sign (including using facsimile signatures) any and all checks, drafts, and orders, including orders or directions in informal or letter form, against any funds at any time standing to the credit of this Corporation with said Bank, and that the said Bank hereby is authorized to honor any and all checks, drafts and orders so signed, including those drawn to the individual order of such officer without further inquiry or regard to the authority of said officer or the use of said checks, drafts, and orders, or proceeds thereof; and

FURTHER RESOLVED that the Treasurer or Assistant Treasurer of the University of Southern Indiana is authorized to enter into a Funds Transfer Agreement with the aforementioned Banks; and

FURTHER RESOLVED that the Treasurer, the Assistant Treasurer, the Controller, the Assistant Controller, the Manager of Payroll, the Manager of Accounting Services, and the Accounts Payable Supervisor be designated as the officers of the University authorized to make wire transfers; and

FURTHER RESOLVED that each of the foregoing resolutions shall continue in force until express written notice of its rescission or modification has been received by the said Bank, but if the authority contained in them should be revoked or terminated by operation of law without such notice, it is resolved and hereby agreed for the purpose of inducing the said Bank to act thereunder, that the said Bank shall be saved harmless from any loss suffered or liability incurred without such notice.

**E. APPROVAL OF RESOLUTION OF DELEGATION AND OFFICIAL INTENT REGARDING FINANCING THE BUSINESS AND ENGINEERING CENTER PROJECT AND THE UNIVERSITY CENTER EXPANSION PROJECT**

Mr. Dunn asked Vice President Rozewski to review the recommendation of the Finance/Audit Committee regarding financing the Business and Engineering Center Project and the University Center Expansion Project.

Mr. Rozewski reviewed the resolution which was prepared by the University's bond counsel, Ice Miller. Approval of the resolution is required prior to issuing \$50,350,000 in bonds for construction of the Business and Engineer Center and University Center Expansion projects. It describes how the funds will be used and states that the University intends to reimburse itself for project costs it has already incurred. The resolution also authorizes the Finance/Audit Committee to consummate the transaction on behalf of the Board of Trustees. Mr. Rozewski noted the resolution alone does not obligate the University to indebtedness. The transaction is scheduled to close in February 2009.

Upon the recommendation of the Finance/Audit Committee, the following *Resolutions of Delegation and Official Intent Regarding Financing the Business and Engineering Center Project and the University Center Expansion Project* was approved.

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has determined that a necessity exists to consider financing the acquisition, construction, expansion, renovation, rehabilitation and/or equipping of various facilities on the University's Evansville campus, as described in Exhibit A,



as well as related site preparation and other improvements and renovations (collectively, the "Projects"); and

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 21-34-6 through 10, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville campus, including the Projects; and

WHEREAS, the University has heretofore executed and delivered to The Merchants National Bank of Terre Haute, as succeeded by Old National Trust Company, as Trustee (the "Trustee"), a certain Trust Indenture dated as of November 1, 1985 (the "Indenture"), for the purpose of securing its Student Fee Bonds issued from time to time thereunder; and

WHEREAS, the Board desires to authorize the Treasurer and Assistant Treasurer to investigate, develop, evaluate and present a plan of financing to the Board for the Projects together with any appropriate refunding opportunities ("Plan of Financing"); and

WHEREAS, the University intends to acquire, construct, equip, renovate and/or rehabilitate the Projects, and reasonably expects to advance its own funds therefor and to reimburse the advances for the Projects with proceeds of debt to be incurred by the University; and

NOW, THEREFORE, BE IT RESOLVED by this Board as follows:

The University hereby declares and reaffirms its official intent to acquire, construct, equip and/or rehabilitate the Projects described in Exhibit A (below); to reimburse certain costs of acquiring, constructing, equipping and/or rehabilitating the Projects with proceeds of debt to be incurred by the University; and to issue debt not exceeding \$50,350,000 in aggregate principal amount for purposes of financing, refinancing or reimbursing costs of the Projects.

The Treasurer and Assistant Treasurer are hereby authorized to develop and present to the Board or its Finance Committee the Plan of Financing for the financing of the Projects and the refunding of prior Bonds.

The Board hereby delegates to its Finance Committee the power to act in its stead and on its behalf to approve the Plan of Financing, to authorize the issuance of Bonds pursuant thereto, to authorize the execution of delivery of any document or agreement in connection with said Bonds, including any swap agreements related thereto, and to approve any other necessary or appropriate actions in connection therewith.

#### **EXHIBIT A** **PROJECT DESCRIPTION**

**Business and Engineering Center** – Construction of a new academic building which will house the College of Business as well as selected engineering and general classrooms/laboratories. The Business and Engineering Center will be a multi-level state of the art facility including more than 122,000 gross square feet. The budget for this project is \$36,375,000 of which \$6,475,000 will be used to refund interim financing. The facility will enable the University to:

- Provide a stimulating classroom environment that promotes the undergraduate educational experience;
- Support the integration of business, engineering and technology curricula; and
- Provide a common place to link University faculty and members of the region's business community.

**University Center Expansion** – The University has also received \$13,750,000 in bonding authority from the Indiana General Assembly to renovate and expand the existing University

Center. The project is budgeted at \$17,650,000 of which \$3,900,000 will be directly funded from University reserves. Once the facility is complete it will include space for extended services operations, special events, expanded student programming, food services and bookstore. Additional student lounge spaces and conferencing capability will be added as a result of the expansion project.

#### **F. APPROVAL OF PROPERTY LEASE**

Mr. Dunn asked Vice President Rozewski to review a recommendation regarding approval of a property lease. Mr. Rozewski recommended a proposal to authorize the Vice President for Business Affairs enter into an oil lease with Pioneer Oil Company.

On a motion by Mr. Ziemer, seconded by Mr. Knight, authorization to enter into a lease with Pioneer Oil Company was approved.

#### **G. APPROVAL OF ANTHEM BLUE CROSS/BLUE SHIELD GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES**

Mr. Dunn called on Vice President Brinker who referred the Trustees to agenda items G. through K., all of which are related to the renewal of the University's health and dental insurance, voluntary vision plan, and flexible benefit plan. She introduced Donna Evinger, director of Human Resources, for a presentation of these renewals. Ms. Evinger summarized employee participation in each plan, the amount of premiums paid by the University and the employee, the average cost of claims, and issues considered during the renewal process. She reviewed two health insurance programs through Anthem Blue Cross/Blue Shield

The University of Southern Indiana offers two health insurance programs through Anthem Blue Cross/Blue Shield - the Blue Access 200 Plan (Preferred Provider Organization - PPO) and the Blue Access 500 Plan (Preferred Provider Organization - PPO).

A comprehensive review of claims from both Anthem health plans indicates medical and drug claims totaled 97.7 percent of paid premiums under the Cost Plus funding arrangement from July 2007 through June 2008. The experience rate was 78.2 percent if claims in excess of the specific stop loss, \$125,000, are not included in total paid claims. Anthem projects an increase of approximately 14 percent in claims in 2009 based on trend factors of 13 percent for medical and 15.5 percent for prescription drugs.

In 2008, the University continued the use of the Cost Plus financial arrangement implemented in 2005. Under this arrangement, Anthem pays claims for the University. The University is billed for actual claims paid for covered persons and administrative services which include utilization management and PPO access fees, and Stop Loss coverage. Under this arrangement, the University determines the level of reserves to be held and holds the reserves. While the University assumes additional risk under this funding arrangement, the Stop Loss coverage, both specific and aggregate, limits the University's overall exposure. At the same time, the University receives the advantage of favorable claims immediately, rather than through an annual settlement.

The University will continue to provide prescription drug coverage to retirees according to the guidelines set forth by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (Medicare Part D). The Blue Access 200 Plan provides creditable prescription drug coverage based on an actuarial attestation of the plan. The University receives a federal subsidy for providing the prescription drug coverage for retirees.

The following items provide 2009 plan renewal information for the Anthem Blue Cross/Blue Shield Group Health Insurance and Health Resources, Inc. Dental Plans.

#### **BLUE ACCESS PLAN – (PREFERRED PROVIDER ORGANIZATION: PPO)**

The Blue Access 200 Plan is designed with elements of a managed care plan as an incentive to reduce medical costs. The Blue Access 200 Plan was first offered with the 2007 renewal. Ms. Evinger recommended a change to the plan in 2009 is to increase the deductible from \$200 to \$300. Effective January 1, 2009, the plan will be referred to as the Blue Access 300 Plan. The following monthly premium rates for the Blue Access 300 Plan are recommended for a 12-month period beginning January 1, 2009.

The proposed medical premium rates for the Blue Access 300 Plan for 2009 reflect a 13 percent increase for single memberships, an 11.3 percent increase for employee and child(ren) memberships, an 11.1 percent increase for employee and spouse memberships, and a 13 percent increase for family memberships for active employees. The proposed medical premium rates for the Blue Access 300 Plan for 2008 reflect a 13 percent increase for retiree (over 65) memberships.

Ms. Evinger recommended the following plan design changes for 2009:

- Deductible – Increase from \$200 to \$300 per individual and \$400 to \$600 per family in-network; \$400 to \$600 per individual and \$400 to \$800 per family non-network
- Out-of-Pocket Maximum – Increase out-of-pocket maximum from \$1,000 to \$1,500 per individual and \$2,000 to \$3,000 per family in-network; \$2,000 to \$3,000 per individual and \$4,000 to \$6,000 per family non-network
- Co-insurance – Change from 90%/10% to 80%/20% in-network and 70%/30% to 60%/40% non-network
- Specific Stop Loss Coverage – Increase from \$125,000 to \$200,000

For 2009, the University proposes continuation with the Cost Plus financial arrangement.

The 12-month renewal rates effective January 1, 2009, for Health Resources, Inc. dental insurance reflect a 3 percent rate increase for single, employee and child(ren), employee and spouse, and family memberships. A comprehensive review of claims paid by Health Resources, Inc. indicates dental claims totaled 90.4 percent of paid premiums for the time period of July 2007 through June 2008. The renewal rates effective January 1, 2009, are determined by claims experience by membership group for USI employees and dependents.

The 2009 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield - Blue Access 300 Plan and Health Resources, Inc. provide the primary health/dental insurance for 377 active employees and 154 retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for active employees is 75 percent of the total premium.

Ms. Evinger recommended renewal of the master policies with Anthem Blue Cross/Blue Shield – Blue Access 300 Plan, including plan design changes, and Health Resources, Inc. with the following rate schedule using the Cost Plus financial arrangement.

**2009 MONTHLY PREMIUM RATES  
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE ACCESS 300 PLAN**

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<b>2009 TOTAL MONTHLY PREMIUM</b>	2008 TOTAL MONTHLY PREMIUM
Single	\$496.68	\$23.53	\$8.50	<b>\$528.71</b>	\$470.88
Employee + Child(ren)	\$821.33	\$57.47	\$22.00	<b>\$900.80</b>	\$815.58
Employee + Spouse	\$1,088.97	\$48.68	\$22.00	<b>\$1,159.65</b>	\$1,049.74
Family	\$1,355.34	\$83.99	\$22.00	<b>\$1,461.33</b>	\$1,302.94
Over 65 (Retired)	\$365.63	\$23.53	\$8.50	<b>\$397.66</b>	\$322.89*

\* Rate adjusted for Medicare Part D Subsidy

**BLUE ACCESS 500 PLAN – (PREFERRED PROVIDER ORGANIZATION: PPO)**

The Blue Access 500 Plan, first offered with the 2004 renewal, provides employees with a second PPO option in their selection of medical insurance plans. The Blue Access 500 Plan is designed with elements of a managed care plan as an incentive to reduce medical costs. The following monthly premium rates for the Blue Access 500 Plan are recommended for a 12-month period beginning January 1, 2009.

The proposed medical premium rates for the Blue Access 500 Plan for 2009 reflect a 16.9 percent increase for single memberships, a 13 percent increase for employee and child(ren), a 13 increase for employee and spouse memberships, and a 16.3 percent increase for family memberships for active employees. The proposed medical premium rates for the Blue Access 500 Plan for 2009 reflect a 13.3 percent increase for retiree (over 65) memberships.

Ms. Evinger recommended the following plan design changes for 2009:

- Prescription Drug Co-payment – Increase from \$10/\$30/50% to \$15/\$40/\$60
- Specific Stop Loss Coverage – Increase from \$125,000 to \$200,000

For 2009, the University proposes continuation with the Cost Plus financial arrangement.

The 12-month renewal rates effective January 1, 2009, for Health Resources, Inc. dental insurance reflect a 3 percent rate increase for single, employee and child(ren), employee and spouse, and family memberships. A comprehensive review of claims paid by Health Resources, Inc. indicates dental claims totaled 90.4 percent of paid premiums for the time period of July 2007 through June 2008. The renewal rates effective January 1, 2009, are determined by claims experience by membership group for USI employees and dependents. The 2009 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield – Blue Access 500 Plan and Health Resources, Inc. provide the primary health/dental insurance for 291 active employees and two retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for active employees is equal to the amount contributed to the Blue Access 300 Plan.

Ms. Evinger recommended approval to renew the master policies with Anthem Blue Cross/Blue Shield – Blue Access 500 Plan, including plan design changes, and Health Resources, Inc., with the following rate schedule using the Cost Plus financial arrangement.

**2009 MONTHLY PREMIUM RATES  
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE ACCESS 500 PLAN**

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<b>2009 TOTAL MONTHLY PREMIUM</b>	2008 TOTAL MONTHLY PREMIUM
Single	\$444.37	\$23.53	\$8.50	<b>\$476.40</b>	\$411.36
Employee + Child(ren)	\$734.83	\$57.47	\$22.00	<b>\$814.30</b>	\$727.98
Employee + Spouse	\$974.27	\$48.68	\$22.00	<b>\$1,044.95</b>	\$931.32
Family	\$1,212.59	\$83.99	\$22.00	<b>\$1,318.58</b>	\$1,146.30
Over 65 (Retired)	\$328.01	\$23.53	\$8.50	<b>\$360.04</b>	\$320.88

On a motion by Mr. Knight, seconded by Mr. Ziemer, renewal of the master policies with Anthem Blue Cross/Blue Shield and Health Resources, Inc., as outlined in Item G.; approval of the Anthem wellness initiatives outlined in Item H.; renewal of the master policy with Welborn HMO and Health Resources, Inc., as outlined in Item I.; renewal of the voluntary vision plan outlined in Item J.; and renewal of the contract with The Nyhart Company for administration of the Section 125 Flexible Benefit Plan as outlined in Item K was approved.

#### **H. APPROVAL OF ANTHEM WELLNESS INITIATIVES**

Ms. Evinger recommended the University add several wellness initiatives to the Anthem Blue Access Plans as an additional step toward controlling claims expense. The recommended initiatives include:

- Future Moms: support from trained obstetrical nurses to provide maternity management to help expectant parents have a healthy pregnancy and delivery;
- ConditionCare: assistance from registered nurses for members to better manage and improve chronic health conditions; and
- 24/7 NurseLine: access to a 24/7 NurseLine in which experienced registered nurses provide information concerning general health questions and guidance with critical health issues.

The University also recommends implementation of MyHealthAdvantage which utilizes integrated information systems and data analytics to enhance early detection of potential health issues for participants. MyHealth Advantage provides members and their doctors with information about evidence-based standards that can facilitate better health care choices.

Ms. Evinger explained that these programs are specifically designed to help improve the health of participants and to better control health care costs. The per-participant cost for Future Moms, ConditionCare, and 24/7 NurseLine is \$2.64 per month. The per-participant cost for MyHealthAdvantage is \$1.63 per month. It is recommended that the wellness initiatives include coverage for active members and retirees under age 65 and that the University pay the total monthly cost. These programs are recommended based on the return-on-investment experienced over a three-year period by users of the programs.

Ms. Evinger recommended approval to contract with Anthem to provide the wellness initiatives: Future Moms, ConditionCare, and 24/7 NurseLine, MyHealthAdvantage at the quoted per-participant rates for a 12-month period beginning January 1, 2009.

On a motion by Mr. Knight, seconded by Mr. Ziemer, renewal of the master policies with Anthem Blue Cross/Blue Shield and Health Resources, Inc., as outlined in Item G.; approval of the Anthem wellness initiatives outlined in Item H.; renewal of the master policy with Welborn HMO and Health Resources, Inc., as outlined in Item I.; renewal of the voluntary vision plan outlined in Item J.; and renewal of the contract with The Nyhart Company for administration of the Section 125 Flexible Benefit Plan as outlined in Item K was approved.

#### **I. APPROVAL OF WELBORN HMO GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES**

The University of Southern Indiana has offered Welborn HMO/Health Resources, Inc. as an alternative health/dental benefit program since October 1988. Welborn Health Plans is administered locally and currently provides services to approximately 35,000 members in the local area. In 2007, Welborn added a national network, Multiplan/PHCS, to provide in-network benefits to employees who live outside the local area. The enhanced network is an added benefit for active employees, dependents, and retirees who live outside the local service area.

A comprehensive review of USI claims for the Welborn HMO indicates medical and prescription drug claims totaled 103.2 percent of paid premiums for the time period of July 2007 through June 2008.

Due to Medicare regulations effective in 2008, Welborn is no longer able to offer retiree (over 65) memberships within the University plan and similar employer plans. Welborn was able to grandfather the retiree coverage of those who participated in the plan prior to January 1, 2008.

The proposed medical premium rates for the Welborn HMO for 2009 reflect a 7.4 percent rate increase for active employee memberships.

Ms. Evinger recommended the following plan design changes for 2009:

- Deductible – Increase from \$200 to \$250 per individual and \$400 to \$500 per family
- Out-of-Pocket Maximum – Increase out-of-pocket maximum from \$1,000 to \$1,500 per individual and \$2,000 to \$3,000 per family
- Prescription Drug Co-payment – Increase from \$10/\$30/\$50 to \$15/\$35/\$50

The 12-month renewal rates effective January 1, 2009, for Health Resources, Inc. dental insurance reflect a 3 percent rate increase for single, employee and child(ren), employee and spouse, and family memberships. A comprehensive review of claims paid by Health Resources, Inc. indicates dental claims totaled 90.4 percent of paid premiums for the time period of July 2007 through June 2008. The renewal rates effective January 1, 2009, are determined by claims experience by membership group for USI employees and dependents.

The 2009 insurance rates include a contribution for funding the liability for post-retirement benefits.

Welborn HMO and Health Resources, Inc. provide the primary health/dental insurance coverage for 115 active employees and 23 retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for active employees is 75 percent of the total premium.

Ms. Evinger recommended renewal of the master policies with Welborn HMO, including plan design changes, and Health Resources, Inc. with the following rate schedule.

**2009 MONTHLY PREMIUM RATES  
WELBORN HMO**

	<u>WELBORN MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<b><u>2009 TOTAL MONTHLY PREMIUM</u></b>	<u>2008 TOTAL MONTHLY PREMIUM</u>
Single	\$375.02	\$23.53	\$8.50	<b>\$407.05</b>	\$380.52
Employee + Child(ren)	\$724.13	\$57.47	\$22.00	<b>\$803.60</b>	\$752.04
Employee + Spouse	\$804.19	\$48.68	\$22.00	<b>\$874.87</b>	\$818.04
Family	\$1,128.13	\$83.99	\$22.00	<b>\$1,234.12</b>	\$1,153.94
Over 65 * (Retired)	\$340.77	\$23.53	\$8.50	<b>\$372.80</b>	\$320.75

\* *Expected 2009 medical premium rates applicable to retirees who participated in the plan prior to January 1, 2008*

On a motion by Mr. Knight, seconded by Mr. Ziemer, renewal of the master policies with Anthem Blue Cross/Blue Shield and Health Resources, Inc., as outlined in Item G.; approval of the Anthem wellness initiatives outlined in Item H.; renewal of the master policy with Welborn HMO and Health Resources, Inc., as outlined in Item I.; renewal of the voluntary vision plan outlined in Item J.; and renewal of the contract with The Nyhart Company for administration of the Section 125 Flexible Benefit Plan as outlined in Item K was approved.

#### **J. APPROVAL TO RENEW VOLUNTARY VISION PLAN**

Ms. Evinger reported the Spectera Vision Plan was first offered in 2006 in response to an employee interest survey. Premiums for this voluntary benefit are paid in full by employees. Spectera, founded over 40 years ago for the purpose of providing vision care benefits, is now a subsidiary of United Health Group. On August 1, 2008, Spectera began marketing its vision plan as UnitedHealthcare Vision. The vision plan's network has grown to over 24,000 national providers and has expanded its local network. Currently, 297 or 31.6 percent of eligible employees participate in the voluntary vision plan. Renewal rates effective January 1, 2009, will increase approximately three percent for a 12-month guarantee period.

She recommended renewal of the contract with UnitedHealthcare Vision beginning January 1, 2009, for continuation of the voluntary vision benefit.

On a motion by Mr. Knight, seconded by Mr. Ziemer, renewal of the master policies with Anthem Blue Cross/Blue Shield and Health Resources, Inc., as outlined in Item G.; approval of the Anthem wellness initiatives outlined in Item H.; renewal of the master policy with Welborn HMO and Health Resources, Inc., as outlined in Item I.; renewal of the voluntary vision plan outlined in Item J.; and renewal of the contract with The Nyhart Company for administration of the Section 125 Flexible Benefit Plan as outlined in Item K was approved.

#### **K. APPROVAL OF SECTION 125 FLEXIBLE BENEFIT PLAN ADMINISTRATIVE FEE**

The Section 125 Flexible Benefit Plan, implemented in 1990 and expanded in 1992, allows enrolled employees to pay medical insurance premiums, dependent care expenses, and uninsured medical expenses with pre-tax dollars. Participation in the program has been steady since its introduction. Approximately 36 percent of eligible employees participate in the uninsured medical expense and dependent care reimbursement plans, and 99.5 percent of employees with medical insurance are enrolled in the premium-only portion of the plan. In calendar year 2005, the University contracted with The Nyhart Company to administer the Section 125 Flexible Benefit Plan.

During the 2007 plan year, University savings were \$164,655 due to reduced FICA tax (Social Security and Health Insurance).

The current administrative fee for the Section 125 Flexible Benefit Plan is \$5.25 per-participant per month. Renewal rates from The Nyhart Company reflect no rate increase for a 12-month guarantee period effective January 1, 2009.

Ms. Evinger recommended renewal of the contract with The Nyhart Company beginning January 1, 2009, to administer the Section 125 Flexible Benefit Plan with the quoted per-participant rate.

On a motion by Mr. Knight, seconded by Mr. Ziemer, renewal of the master policies with Anthem Blue Cross/Blue Shield and Health Resources, Inc., as outlined in Item G.; approval of the Anthem wellness initiatives outlined in Item H.; renewal of the master policy with Welborn HMO and Health Resources, Inc., as outlined in Item I.; renewal of the voluntary vision plan outlined in Item J.; and renewal of the contract with The Nyhart Company for administration of the Section 125 Flexible Benefit Plan as outlined in Item K was approved.

#### **L. UPDATE ON CURRENT CONSTRUCTION PROJECTS**

Mr. Dunn called on Vice President Rozewski for a report on current construction projects. Mr. Rozewski introduced Director of Facilities Operations and Planning Steve Helfrich who began by reporting on projects

recently completed, including the McCutchan Art Center, the Residence Life Community Center in the McDonald Apartment Complex, an electric service installation, the Wright Administration Building roof system, and Phases II and III of the Science Center renovation.

Mr. Helfrich reported the Business and Engineering Center site work has been completed and a utility tunnel to connect the building to the central heating and cooling plant is under construction. Plumbing and electrical contractors soon will install underground utility piping in preparation for pouring the lower level floor. Structural steel framing for the building is scheduled to arrive in December.

The expansion of the Recreation and Fitness Center is approximately 50 percent complete and is scheduled to open in summer 2009. The new Support Services Building is scheduled for completion in December. The building will house maintenance shops, mailroom and distribution services, and offices of Procurement and Risk Management. Mr. Helfrich reported the Ceramics Center will be complete in time for Spring semester classes in January 2009.

He reported on projects in design including the Campus Entrance and Loop Road project which is in the final stages of design. Construction will begin in May. Mr. Helfrich noted the normal flow of traffic will be disrupted throughout the summer and the roundabout will be open for the Fall semester. Final plans are under review for the University Center Expansion project, which is scheduled to be out for bids in January 2009. Other projects in the design phase are a central heating and cooling plant, expansion of several parking lots, and a water storage tank on the east end of campus. The water tower is a project funded by the Evansville Water and Sewer Utility. Vanderburgh County is funding the construction of a bike and multi-use path from Broadway Avenue to the varsity baseball field through property owned by the USI Foundation. The University plans to extend the path from the baseball field to the Recreation and Fitness Center so there is a natural starting point for the trail in the heart of the campus.

#### **OTHER BUSINESS**

Mr. Boots moved that the Board of Trustees authorize the title of Chancellor for Dr. H. Ray Hoops following his retirement from the position of President and authorize the Chair of the Board of Trustees to develop and execute a satisfactory contract letter to utilize Dr. Hoops on a less than full-time basis to continue work in resource development. Mr. Boots noted it is understood in his motion that Dr. Hoops would be responsible directly to the Board of Trustees and this appointment would be designed so as not to impinge on the prerogatives or authority of the new president.

The motion was seconded by Mr. Knight and approved.

There being no further business, the meeting adjourned at 3:58 p.m.

Respectfully submitted,

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Amy MacDonell  
Secretary



## MINUTES

### FINANCE/AUDIT COMMITTEE

#### UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

November 6, 2008

The Finance/Audit Committee of the University of Southern Indiana Board of Trustees met on Thursday, November 6, 2008, in Carter Hall in the University Center. In attendance were Committee Chair Jeffrey L. Knight and Trustees Ira G. Boots, John M. Dunn, and Ronald D. Romain '73. Trustee Amy W. MacDonell was absent. Others in attendance were President H. Ray Hoops, Vice President for Business Affairs and Treasurer Mark Rozewski, and Vice President for Government and University Relations Cindy Brinker.

Mr. Knight called the meeting to order at 2:10 p.m.

#### 1. REVIEW OF AUDITED FINANCIAL STATEMENTS

Mr. Knight called on Mr. Rozewski for a review of audited financial statements. Mr. Rozewski reported the Indiana State Board of Accounts has completed its audit for the year ending June 30, 2008, and that he and Mr. Knight attended the auditors' exit conference. Mr. Knight reported the outcome of the audit was very satisfactory and commended the University staff for its work. Mr. Rozewski referred the committee members to the Independent Auditors' Report, which includes no negative findings.

Mr. Rozewski introduced Business Office Director and Controller Steve Bridges for a report on the financial statements. Mr. Bridges noted the annual financial statement is prepared by a team that also includes Director of Internal Audit Diana Biggs and Assistant Controller Jeff Sickman. He reported that the University is governed by the Governmental Accounting Standards Board (GASB), which required several changes in reporting for the year ending June 30, 2008. GASB Statement No. 45 regards post-employment benefit (specifically health, dental, and life insurance for retirees) and is related to USI's Voluntary Employees' Benefit Association (VEBA) Trust. This year, for the first time, GASB45 requires the University to report the value of the Trust as a liability. Two other interpretations changed the way the University reports grant revenue and moved the presentation of bad debts, now listed as an expense line item.

Mr. Bridges reviewed the Statement of Net Assets; the Statement of Revenue, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. He referred the Trustees to the Notes to Financial Statements for their review. A final copy of the Annual Financial Report will be available to the Trustees at the January 2009 meeting of the Board. Copies of Mr. Bridges' report to the Committee are appended to the file copy of these minutes.

#### 2. APPROVAL OF RECOMMENDATION REGARDING FINANCING THE BUSINESS AND ENGINEERING CENTER PROJECT AND THE UNIVERSITY CENTER EXPANSION PROJECT

Mr. Knight asked Vice President Rozewski to review a recommendation to the Board of Trustees to approve a *Resolution of Delegation and Official Intent Regarding Financing the Business and Engineering Center and the University Center Expansion Project*. Mr. Rozewski reported the resolution, drafted by the University's bond counsel, Ice Miller, is required as part of the process of issuing \$50,350,000 in bonds to fund the construction of the Business and Engineering Center and the expansion of the University Center. He reported the closing will be scheduled in early February 2009.

Mr. Rozewski also reported the University, to strengthen its presence in the market, will seek a rating from Standard and Poor's in addition to its current A2 rating from Moody's. Standard and Poor's will visit campus on November 7, 2008. Mr. Knight and Mr. Dunn will be part of the process, the results of which will be reported to the Committee.

On a motion by Mr. Romain, seconded by Mr. Boots, a recommendation to the Board of Trustees to approve the following *Resolution of Delegation and Official Intent Regarding Financing the Business and Engineering Center and the University Center Expansion Project* was approved.

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has determined that a necessity exists to consider financing the acquisition, construction, expansion, renovation, rehabilitation and/or equipping of various facilities on the University's Evansville campus, as described in Exhibit A, as well as related site preparation and other improvements and renovations (collectively, the "Projects"); and

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 21-34-6 through 10, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville campus, including the Projects; and

WHEREAS, the University has heretofore executed and delivered to The Merchants National Bank of Terre Haute, as succeeded by Old National Trust Company, as Trustee (the "Trustee"), a certain Trust Indenture dated as of November 1, 1985 (the "Indenture"), for the purpose of securing its Student Fee Bonds issued from time to time thereunder; and

WHEREAS, the Board desires to authorize the Treasurer and Assistant Treasurer to investigate, develop, evaluate and present a plan of financing to the Board for the Projects together with any appropriate refunding opportunities ("Plan of Financing"); and

WHEREAS, the University intends to acquire, construct, equip, renovate and/or rehabilitate the Projects, and reasonably expects to advance its own funds therefor and to reimburse the advances for the Projects with proceeds of debt to be incurred by the University; and

NOW, THEREFORE, BE IT RESOLVED by this Board as follows:

The University hereby declares and reaffirms its official intent to acquire, construct, equip and/or rehabilitate the Projects described in Exhibit A (below); to reimburse certain costs of acquiring, constructing, equipping and/or rehabilitating the Projects with proceeds of debt to be incurred by the University; and to issue debt not exceeding \$50,350,000 in aggregate principal amount for purposes of financing, refinancing or reimbursing costs of the Projects.

The Treasurer and Assistant Treasurer are hereby authorized to develop and present to the Board or its Finance Committee the Plan of Financing for the financing of the Projects and the refunding of prior Bonds.

The Board hereby delegates to its Finance Committee the power to act in its stead and on its behalf to approve the Plan of Financing, to authorize the issuance of Bonds pursuant thereto, to authorize the execution of delivery of any document or agreement in connection with said Bonds, including any swap agreements related thereto, and to approve any other necessary or appropriate actions in connection therewith.

#### **EXHIBIT A** **PROJECT DESCRIPTION**

**Business and Engineering Center** – Construction of a new academic building which will house the College of Business as well as selected engineering and general classrooms/laboratories. The Business and Engineering Center will be a multi-level state of the art facility including more than 122,000 gross square feet. The budget for this project is \$36,375,000 of which \$6,475,000 will be used to refund interim financing. The facility will enable the University to:

- Provide a stimulating classroom environment that promotes the undergraduate educational experience;
- Support the integration of business, engineering and technology curricula; and
- Provide a common place to link University faculty and members of the region's business community.

**University Center Expansion** – The University has also received \$13,750,000 in bonding authority from the Indiana General Assembly to renovate and expand the existing University Center. The project is budgeted at \$17,650,000 of which \$3,900,000 will be directly funded from University reserves. Once the facility is complete it will include space for extended services operations, special events, expanded student programming, food services and bookstore. Additional student lounge spaces and conferencing capability will be added as a result of the expansion project.

### **3. APPROVAL OF RECOMMENDATION REGARDING BANK DEPOSITORIES AND WIRE TRANSFER AUTHORIZATIONS**

Mr. Knight called on Vice President Rozewski, who reported the *Resolution Regarding Bank Depositories and Wire Transfer Authorizations* is an update to designate various banks as depositories and authorize University staff to access accounts. It does not represent any change in operating procedures.

On a motion by Mr. Boots, seconded by Mr. Romain, a recommendation to the Board of Trustees to approve the *Resolution Regarding Bank Depositories and Wire Transfer Authorizations* was approved.

WHEREAS, the University wishes to update the list of banks designated as depositories in which funds may be deposited and to update the authorizations required for transactions with the depositories;

THEREFORE BE IT RESOLVED the Fifth Third Bank, Old National Bank of Evansville, Integra Bank, and US Bank be and hereby are designated as depositories in which funds of this Corporation may be deposited by its officers, agents and employees; and

FURTHER RESOLVED that the Treasurer is authorized to sign (including using facsimile signatures) any and all checks, drafts, and orders, including orders or directions in informal or letter form, against any funds at any time standing to the credit of this Corporation with said Bank, and that the said Bank hereby is authorized to honor any and all checks, drafts and orders so signed, including those drawn to the individual order of such officer without further inquiry or regard to the authority of said officer or the use of said checks, drafts, and orders, or proceeds thereof; and

FURTHER RESOLVED that the Treasurer or Assistant Treasurer of the University of Southern Indiana is authorized to enter into a Funds Transfer Agreement with the aforementioned Banks; and

FURTHER RESOLVED that the Treasurer, the Assistant Treasurer, the Controller, the Assistant Controller, the Manager of Payroll, the Manager of Accounting Services, and the Accounts Payable Supervisor be designated as the officers of the University authorized to make wire transfers; and

FURTHER RESOLVED that each of the foregoing resolutions shall continue in force until express written notice of its rescission or modification has been received by the said Bank, but if the authority contained in them should be revoked or terminated by operation of law without such notice, it is resolved and hereby agreed for the purpose of inducing the said Bank to act thereunder, that the said Bank shall be saved harmless from any loss suffered or liability incurred without such notice.

### **4. REPORT OF CHANGE ORDERS ISSUED BY THE VICE PRESIDENT FOR BUSINESS AFFAIRS**

Mr. Knight asked Mr. Rozewski to review the report of Change Orders. Mr. Rozewski reviewed the policy regarding change orders to construction contracts, which allows that change orders in amounts up to \$25,000 may be issued by the Vice President for Business Affairs and reported to the Committee at its next meeting. Change orders in amounts over \$25,000 requiring immediate action must be reviewed with the Committee prior to approval. Those change orders in amounts over \$25,000 that do not require immediate action will be reviewed with the Committee at its next scheduled meeting.

Mr. Rozewski told the Committee to expect reports regarding construction change orders at most of its meetings in the next several years because of the number of large projects underway. He noted that every project has changes and multiple change orders do not necessarily indicate a poorly planned, designed or executed project. The current report of change orders represents a small amount of changes considering the volume of work. A summary of construction change orders is appended to the file copy of these minutes.

There being no further business, the meeting adjourned at 3:40 p.m.

**MINUTES****LONG-RANGE PLANNING COMMITTEE****UNIVERSITY OF SOUTHERN INDIANA  
BOARD OF TRUSTEES****November 6, 2008**

The Long-Range Planning Committee of the University of Southern Indiana Board of Trustees met on Thursday, November 6, 2008, in the University Center. Present were Committee Chair W. Harold Calloway and Trustees Jamie L. Johnson '09, Steven J. Schenck '72, and Ted C. Ziemer Jr. Also in attendance were Provost and Vice President for Academic Affairs Linda L. M. Bennett; Vice President for Student Affairs Robert W. Parrent; Faculty Senate Chair Lesa Cagle; and Student Government Association President Amy Beard.

Committee Chair Harold Calloway convened the meeting at 2 p.m.

**1. REVIEW OF THE ACADEMIC PROGRAM DEVELOPMENT PLAN**

Mr. Calloway called on Provost Bennett for a review of the following Academic Program Development Plan (Attachment A). She noted that there have been no changes from March 2008. The Bachelor of Arts/Bachelor of Science in Criminal Justice Studies is being reviewed by the Indiana Commission for Higher Education. Provost Bennett reported that the academic programs most likely to move through the approval process in the coming year are the Master of Arts in Communication, Bachelor of Arts/Bachelor of Science in Biochemistry, and Bachelor of Arts/Bachelor of Science in Environmental Science.

**2. REPORT ON LIVING LEARNING COMMUNITIES**

Mr. Calloway called on Provost Bennett, who introduced Brian Posler, Assistant Provost for Undergraduate Studies. Dr. Posler introduced Dr. Jeff Thomas, academic coordinator of the living learning communities, and Ms. Laura Berry, director of Residence Life, who discussed USI's living learning communities in a presentation entitled *USI Living Learning Communities: Helping Students Connect and Succeed*.

The living learning communities program combines a campus residential experience with coordination of class schedules so students living together in the same residence hall also take the same classes. The combination of these activities requires effective collaboration between Academic Affairs and Student Affairs. The Office of Residence Life creates programming in the residence hall to coordinate with the academic themes of the learning communities. Themes usually focus on an academic major, but the University also has an international living learning community in which international students participate. Currently, there are 165 students participating in seven living learning communities with plans to expand the program. The result is a retention rate for these students that is often 20 percentage points higher than the general student population.

Pippa Cunningham, a resident advisor in the living learning communities, commented on her positive experience as a student in the living learning community.

There being no further business, the meeting adjourned at 2:45 p.m.

**Faculty Senate Charges  
2008-2009 – revised December 2008**

Assessment		Status	
1	Draft a comprehensive report of assessment practices across campus.	1	<i>In Process</i>
Curriculum		Status	
Faculty Affairs		Status	
1	Charge to include gender identification in non-discrimination policy.	1	<i>In Process</i>
2	Develop additional concrete tactics to reduce teaching loads.	2	<i>In Process</i>
3	Review and make recommendations for designated faculty parking.	3	<i>In Process</i>
4	Work with Human Resources to review and recommend ways to streamline the hiring process making it more timely and efficient at all levels.	4	<i>In Process</i>
5	Review and make recommendations regarding the creation of a faculty Ombudsperson position.	5	<i>In Process</i>
6	Review and make recommendations regarding the possibility of adding an “informal” resolution process to the constitution of the faculty.	6	<i>In Process</i>
7	Review and make recommendations regarding the policy on conflict of interest in promotion process.	7	<i>Policy reworded to state: To protect from potential conflict of interest, any individual who is a candidate for promotion should not participate in the formal promotion review process at any level during the year of their candidacy. Approved by Faculty Senate.</i>
Faculty Awards		Status	
Faculty Grievance & Hearing		Status	

<b>Promotions</b>		<b>Status</b>	
<b>Student Affairs</b>		<b>Status</b>	
1	Review and make recommendations regarding the waiting time of the Fresh Start Program (found in the University Bulletin, page 29).	1	<i>In Process</i>
2	Address expiration of student ID cards. System currently has no means to update expiration dates of ID cards. Review and make recommendations.	2	<i>In Process</i>
3	Review and make recommendations regarding the Medical Withdrawal process.	3	<i>In Process</i>
4	Develop clear procedures for students seeking Grade Appeals.	4	<i>In Process</i>
5	Review and make recommendation for graduation and honors for transfer students.	5	<i>In Process</i>
<b>Economic Benefits Charges</b>		<b>Status</b>	
1	Review and make recommendations for a family friendly campus.	1	<i>In Process</i>
2	Investigate and make recommendations for a tuition share program.	2	<i>In Process</i>
3	Investigate current practices and make recommendations for the following issues: <ul style="list-style-type: none"> <li>a. Contingency funds for temporary replacement of faculty who are unable to cover their classes.</li> <li>b. Fair compensation of faculty members who cover classes for colleagues who are absent due to illness, maternity, or other credible reasons.</li> </ul>	3	<i>In Process</i>
<b>Graduate Council</b>		<b>Status</b>	
1	The Faculty Senate requests that Graduate Council	1	<i>In Process</i>

	review and make recommendations for the revision or deletion of the policy on graduate faculty status to Graduate Council.		
<b>Academic Affairs and/or Administrative Council</b>		<b>Status</b>	
1	<p>Develop an ad hoc committee to investigate and make recommendations for the following:</p> <ul style="list-style-type: none"> <li>a. Clarify the role of the Counseling Center.</li> <li>b. Develop, from both the perspective of the faculty and staff, a protocol for handling difficult situations.</li> <li>c. Perform an assessment of the resource needs from the perspective of the students and make recommendations.</li> <li>d. Perform an assessment of the resources required for expanding the role of the Counseling Center, and include mental health counseling consistent with comparable state institutions, and make recommendations.</li> <li>e. Investigate the need for additional mental health resources for University of Southern Indiana students and make recommendations.</li> <li>f. Suggested composition of the committee: representatives from student affairs, faculty academic affairs, counseling center, ADA, John Deem and/or Barry Schonberger and Representative from initiating group of the charge.</li> </ul>	1	<i>In Process</i>
2	Review and make recommendations for changing the academic calendar so that graduation doesn't fall on Mother's Day.	2	<i>In Process</i>
3	Charge to establish an ad hoc committee to investigate summer school timeline (Brian Posler).	3	<i>In Process</i>



4	Establish a University calendar committee.	4	<i>In Process</i>
5	Develop policy regarding the payment of faculty who cover classes for absent faculty.	5	<i>In Process</i>
<b>Business Affairs (Dr. Bennett)</b>		<b>Status</b>	
1	Review and make recommendations for the accessibility of "handicapped" parking immediate action requested.	1	<i>In Process</i>
<b>Faculty Senate</b>		<b>Status</b>	
1	Define library representation of Faculty Senate.	1	<i>In Process</i>

**EXHIBIT I-A**  
**UNIVERSITY OF SOUTHERN INDIANA**  
**BIENNIAL BUDGET 2009-2011**  
**OPERATING BUDGET REQUEST SUMMARY/COMPARISON**

	2009-10		2010-11	
	Request	Commission for Higher Education Recommendation	Request	Commission for Higher Education Recommendation
<b><u>EXPENDITURES</u></b>				
Expenditure Base	<b>80,832,843</b>	<b>80,832,843</b>	<b>85,420,178</b>	<b>81,112,363</b>
Base Adjustments				
A. Enrollment Change	542,500	0	0	0
B. Degree Completion	486,000	303,750	0	607,500
C. On-Time Degree Completion	358,835	181,727	0	363,453
D. Low Income Degree Completion	0	50,000	0	100,000
E. Two-Year Transfer Incentive	0	208,498	0	416,996
F. Across the Board Appropriation Reduction	0	(464,455) a		(1,439,610) a
G. Appropriation Adjustment	2,000,000	0	1,000,000	0
Subtotal Base Adjustments	3,387,335	279,520	1,000,000	48,339
Debt Service	923,616	923,616	(360,950)	(360,950)
Reallocation of Student Fees	(923,616)	(923,616)	360,950	360,950
Subtotal Debt Service	0	0	0	0
Total Expenditure Base	<b>84,220,178</b>	<b>81,112,363</b>	<b>86,420,178</b>	<b>81,160,702</b>
Percent Change	<b>4.2%</b>	<b>0.3%</b>	<b>1.2%</b>	<b>0.1%</b>
Maintenance for Current Programs				
A. Personal Services	0	0	0	0
B. Supplies & Expense	0	0	0	0
C. Student Aid	0	0	0	0
Subtotal Maintenance for Current Programs	0 b	0	0 b	0
Quality Improvement				
A. STEM Teaching Improvement Institute	700,000	0	700,000	0
B. ADAPT - Affordable Degree Attainment	500,000	0	500,000	0
Subtotal Quality Improvement	1,200,000	0	1,200,000	0
Total Budget Increases	<b>4,587,335</b>	<b>279,520</b>	<b>2,200,000</b>	<b>48,339</b>
Total Expenditure Request	<b>85,420,178</b>	<b>81,112,363</b>	<b>87,620,178</b>	<b>81,160,702</b>
Percent Change	<b>5.7%</b>	<b>0.3%</b>	<b>2.6%</b>	<b>0.1%</b>
<b><u>REVENUE</u></b>				
Student Fee Base	<b>29,448,561</b>	<b>29,448,561</b>	<b>28,524,945</b>	<b>28,524,945</b>
Fee Increase	0 c	0	0 c	0
Transfer to Debt Service	(923,616)	(923,616)	360,950	360,950
Total Student Fees	<b>28,524,945</b>	<b>28,524,945</b>	<b>28,885,895</b>	<b>28,885,895</b>
Operating Appropriation Base	<b>40,387,429</b>	<b>40,387,429</b>	<b>44,974,764</b>	<b>40,666,949</b>
Appropriation Increase	4,587,335	279,520	2,200,000	48,339
Total Operating Appropriation	<b>44,974,764</b>	<b>40,666,949</b>	<b>47,174,764</b>	<b>40,715,288</b>
Percent Change	<b>11.4%</b>	<b>0.7%</b>	<b>4.9%</b>	<b>0.1%</b>
Fee Replacement Appropriation Base	<b>10,996,853</b>	<b>10,996,853</b>	<b>11,920,469</b>	<b>11,920,469</b>
Fee Replacement Change	923,616	923,616	(360,950)	(360,950)
Total Fee Replacement Appropriation	<b>11,920,469</b>	<b>11,920,469</b>	<b>11,559,519</b>	<b>11,559,519</b>
Total State Appropriation	<b>56,895,233</b>	<b>52,587,418</b>	<b>58,734,283</b>	<b>52,274,807</b>
Percent Change	<b>10.7%</b>	<b>2.3%</b>	<b>3.2%</b>	<b>-0.6%</b>
Total Revenue Request	<b>85,420,178</b>	<b>81,112,363</b>	<b>87,620,178</b>	<b>81,160,702</b>

a 1.15% of FY09 Operating Appropriation Base and 3.54% of FY10 Operating Appropriation Base

b 0% increase on Expenditure Base per instructions

c 0% increase on Gross Student Fee Base per instructions

**EXHIBIT I-B**  
**UNIVERSITY OF SOUTHERN INDIANA**  
**BIENNIAL BUDGET 2009-2011**  
**COMPARISON OF REQUEST FOR BUDGET INCREASES**  
**WITH INDIANA COMMISSION FOR HIGHER EDUCATION**

	2009-10		2010-11	
	Request	Commission for Higher Education Recommendation	Request	Commission for Higher Education Recommendation
<b>OPERATING BUDGET</b>				
Base Adjustments				
Enrollment Change	542,500	0	0	0
Degree Completion	486,000	303,750	0	607,500
On-Time Degree Completion	358,835	181,727	0	363,453
Low Income Degree Completion	0	50,000	0	100,000
Two-Year Transfer Incentive	0	208,498	0	416,996
Across the Board Appropriation Reduction	0	(464,455) a	0	(1,439,610) a
Appropriation Adjustment	2,000,000	0	1,000,000	0
Maintenance for Current Programs				
Personal Services	0 b	0	0 b	0
Supplies & Expense	0 b	0	0 b	0
Student Aid	0 b	0	0 b	0
Quality Improvement				
STEM Teaching Improvement Institute	700,000	0	700,000	0
ADAPT - Affordable Degree Attainment	500,000	0	500,000	0
Total	4,587,335	279,520	2,200,000	48,339

	Request	Commission for Higher Education Recommendation		
	2009-11	2009-10	2010-11	Total
<b>CAPITAL BUDGET</b>				
<b>R&amp;R AND TECHNOLOGY</b>				
General R&R	1,277,190	319,298 *	454,443 **	773,741
Infrastructure	966,660	241,665 *	344,227 **	585,892
Total	2,243,850	560,963	798,670	1,359,633

\* FY09 funding level

\*\* 50% of the 2009-11 annual formula amount

	Request	Commission for Higher Education Recommendation	
	2009-11	2009-11	Comments
<b>CAPITAL BUDGET</b>			
<b>FACILITIES</b>			
Teaching Theatre - Replacement Project			
State Funding Bonding Authorization	8,000,000	0	
Non-State Funding Authorization	7,000,000	0	
Total	15,000,000	0	

	Request	Commission for Higher Education Recommendation		
	2009-11	2009-10	2010-11	Total
<b>LINE ITEM INITIATIVES</b>				
Historic New Harmony	76,764	0	0	0

a 1.15% of FY09 Operating Appropriation Base and 3.54% of FY10 Operating Appropriation Base

b 0% increase on Expenditure Base per instructions

**Approval of the Possible Conflict of Interest Disclosure Statements below is recommended.**

In 1983, the Indiana General Assembly enacted amendments to the Indiana "conflicts of interest" law, which provides that "The 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 government entity that he serves, commits a conflict of interest, a Class D felony."

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

The 1983 amendment provides a method by which public servants can avoid the criminal aspects of the conflicts of interest law by filing a disclosure statement with the Board of Trustees. The Board of Trustees must approve such disclosures, after which they will be forwarded to the State Board of Accounts.

In December 2008, for calendar year 2009, the University requested statements of all trustees and senior staff, including those with no potential conflicts of interest to disclose, and reminded all University employees of their obligation to submit a statement if required. A list of individuals who have submitted a Possible Conflict of Interest Disclosure Statement for calendar year 2009 is listed below.

**Possible Conflict of Interest Disclosure Statements  
Filed for 2009**

<b>DATE</b>	<b>NAME/ TITLE</b>	<b>VENDOR/ CONTRACTOR</b>	<b>DESCRIPTION OF FINANCIAL INTEREST</b>
12-11-08	Janel S. Allen Assistant to the President	Safety Management Corporation	Spouse is owner
12-02-08	Linda L.M. Bennett Provost and Vice President for Academic Affairs	None	N/A
12-15-08	Ira G. Boots Trustee	Berry Plastics Deaconess Hospital	Chairman & CEO Board of Directors
12-15-08	David A. Bower Director of Development	None	N/a
12-09-08	Cynthia S. Brinker Vice President for Government and University Relations	None	N/A
12-04-08	W. Harold Calloway Trustee	None	N/A
12-03-08	Nadine A. Coudret Dean – College of Nursing & Health Professions	None	N/A

<b>NAME/ DATE</b>	<b>VENDOR/ TITLE</b>	<b>DESCRIPTION OF CONTRACTOR</b>	<b>FINANCIAL INTEREST</b>
12-02-08	John Deem Associate Vice President for Student Affairs	Cabinets & Counters Keller Schroeder Bristol Myers	Son is part owner Son is employee Daughter-in-law is employee
11-13-08	John M. Dunn Trustee	Dunn Hospitality Group ONB (Old National) Community Bank Evansville Commerce Bank St. Mary's Health System Welborn Foundation WNIN	Majority Stockholder Director  Spouse is Director Director Director Director
12-08-08	Julie H. Edmister Dean – College of Education and Human Services	None	N/A
12-02-08	David Glassman Dean – College of Liberal Arts	None	N/A
12-04-08	Scott Gordon Dean – College of Science and Engineering	None	N/A
12-11-08	Jon Mark Hall Director of Athletics	None	N/A
12-05-08	H. Ray Hoops President	Integra Bank Corporation Deaconess Hospital, Inc. Deaconess Health System, Inc. Eastern Illinois University Foundation	Director (compensated) Director (compensated) Director Member
12-04-08	Mary A. Hupfer Assistant Vice President for Business Affairs and Foundation Fiscal Officer	None	N/A
12-06-08	Jamie L. Johnson Student Trustee	None	N/A
12-02-08	M. Edward Jones Associate Provost of Academic Affairs and Dean of Extended Services	None	N/A
12-02-08	Mohammed Khayum Dean – College of Business	None	N/A
12-04-08	Jeffrey L. Knight Trustee	Old National Bank	Stockholder & Executive Management
12-04-08	Amy MacDonell Trustee	None	N/A
12-02-08	Robert S. Parrent Vice President for Student Affairs	Fifth/Third Bank	Wife employed in trust dept.

<b>NAME/ DATE</b>	<b>VENDOR/ TITLE</b>	<b>DESCRIPTION OF CONTRACTOR</b>	<b>FINANCIAL INTEREST</b>
12-03-08	Brian Posler Assistant Provost for Undergraduate Studies	None	N/A
12-07-08	Ronald D. Romain Trustee	Bank of Evansville Romain Buick, Inc.	Shareholder Shareholder
12-01-08	Mark Rozewski Vice President for Business Affairs and Treasurer	Veasey Parrott Durkin & Shoulders	Wife is employee
12-09-08	Steven J. Schenck Trustee	Merrill Lynch	Financial Advisor
12-04-08	Ted C. Ziemer, Jr. Trustee	None	N/A

Approval of the following resolutions is recommended.

RESOLUTIONS OF THE  
UNIVERSITY OF SOUTHERN INDIANA  
BOARD OF TRUSTEES  
AUTHORIZING SERIES J BONDS

WHEREAS, the Board of Trustees (the “Board”) of the University of Southern Indiana (the “University”) has determined that a necessity exists to consider financing the acquisition, construction, expansion, renovation, rehabilitation and/or equipping of various facilities on the University’s Evansville campus, as described in Exhibit A, as well as related site preparation and other improvements and renovations (collectively, the “Projects”); and

WHEREAS, the Board of Trustees (the “Board”) of the University of Southern Indiana (the “University”) has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 21-34-6 through 10, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville campus; and

WHEREAS, the University has heretofore executed and delivered to The Merchants National Bank of Terre Haute, as succeeded by Old National Trust Company, as Trustee (the “Trustee”), a certain Trust Indenture dated as of November 1, 1985 (the “Indenture”), for the purpose of securing its Student Fee Bonds issued from time to time thereunder; and

WHEREAS, Article IV of the Indenture authorizes the issuance of additional series of Bonds by the University and the authentication and delivery of those additional series of Bonds by the Trustee under the conditions set forth in Article IV, which conditions have been complied with so as to authorize the issuance, authentication and delivery of those Bonds by the Trustee under the conditions set forth in Article IV, to provide the funds required to finance and refinance any promissory note previously issued for the construction of such facilities and related site preparation of the Projects and to refund all or a portion of the Prior Bonds; and

WHEREAS, the Treasurer has investigated, developed, evaluated and presented a plan of financing to the Board (the “Plan of Financing”); and

WHEREAS, the Board desires to approve the Plan of Financing presented by the Treasurer; and

WHEREAS, there has now been submitted to the Board a form of Eighth Supplemental Indenture (the “Eighth Supplemental Indenture”), a form of Preliminary Official Statement (the “Official Statement”), a form of Bond Purchase Agreement (the “Bond Purchase Agreement”), a form of Construction and Rebate Agreement (the “Construction and Rebate Agreement”), and a form of Supplement to Continuing Disclosure Undertaking Agreement (the “Undertaking Agreement”) in connection with the issuance of the Bonds in an aggregate principal amount not to exceed the sum of (i) \$50,350,000 for the financing and refinancing of the Projects, plus

(ii) certain additional costs and discounts and funding requirements, which financing and refunding have been approved by the State Budget Agency of the State of Indiana;

NOW, THEREFORE, BE IT RESOLVED by this Board as follows:

1. The Plan of Financing is hereby approved with respect to the Projects. Also, the use of bond insurance is hereby approved, if financially advantageous in the judgment of the Treasurer or Assistant Treasurer.

2. The issuance of the Bonds by the University on the terms and conditions set forth in the Eighth Supplemental Indenture is hereby authorized in the total principal amount not to exceed the sum of (i) \$50,350,000 for the financing and refinancing of the Projects, plus (ii) underwriter's discount, as described below, original issue discount, as permitted by law, costs of issuance, and costs of any premium for bond insurance. The Bonds shall be designated "University of Southern Indiana Student Fee Bonds, Series J" (the "Bonds"). The true interest cost of the Bonds shall not exceed 7%, with a maximum underwriter's discount of 1% and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Bonds shall not extend beyond **[October 1, 2029]**. The Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to PNC Capital Markets LLC, as underwriter, on its own behalf and as representative of other underwriters.

3. The Eighth Supplemental Indenture is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver, and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Eighth Supplemental Indenture in substantially the form presented to this meeting, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

4. The Official Statement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein and the prior distribution and use of the Official Statement is hereby ratified and confirmed. The Treasurer and Assistant Treasurer of the University are each hereby authorized and directed to make those changes in form or substance as are necessary or appropriate, and to deem an Official Statement to be final or nearly final for purposes of applicable Securities and Exchange Commission rules, to execute and deliver the form of any final Official Statement with those changes in form or substance that the Treasurer or Assistant Treasurer shall approve, and to cause printed copies of the final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Bonds, and any such prior actions are hereby ratified and confirmed.

5. The Bond Purchase Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the officers executing that



document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

6. The Construction and Rebate Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Construction and Rebate Agreement in substantially the form submitted to the Board, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

7. The Undertaking Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the Undertaking Agreement in substantially the form presented to the Board, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

8. The Treasurer or Assistant Treasurer are each hereby authorized to prepare the bond forms, as approved by the Board, in accordance with the Board Resolution, required for use in the issuance of the Bonds, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Eighth Supplemental Indenture and the Indenture. Upon execution of the Bonds, the Treasurer or Assistant Treasurer shall deliver the Bonds to the Trustee for authentication, and upon their authentication, the Treasurer or Assistant Treasurer is authorized and directed to deliver the Bonds, upon payment of the purchase price, to The Depository Trust Company, New York, New York ("DTC"), on behalf of the purchasers thereof, which purchase price shall reflect the underwriter's discount permitted by this Resolution and original issue discount or premium, if any, as permitted by law.

9. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer, Secretary and Assistant Secretary of the University are, and each of them is, hereby authorized and directed to do any and all further acts and things necessary underlying execution and delivery of such additional or supporting agreements, documents or certificates (including a DTC Letter of Representations, any swap agreement in connection with the Bonds, and any agreement associated with obtaining bond insurance, if appropriate) as may be requested or necessary in order to complete the transaction contemplated by the Bond Purchase Agreement, the Eighth Supplemental Indenture, the Construction and Rebate Agreement, the Undertaking Agreement and the Official Statement hereby authorized.

Dated this 8<sup>th</sup> day of January, 2009.

## EXHIBIT A

### PROJECT DESCRIPTION

**Business and Engineering Center** – Construction of a new academic building which will house the College of Business as well as selected engineering and general classrooms/laboratories. The Business and Engineering Center will be a multi-level state of the art facility including more than 122,000 gross square feet. The budget for this project is \$36,375,000 of which \$6,475,000 will be used to refund interim financing. The facility will enable the University to:

- Provide a stimulating classroom environment that promotes the undergraduate educational experience
- Support the integration of business, engineering and technology curricula
- Provide a common place to link University faculty and members of the region's business community

**University Center Expansion** – The University has also received \$13,750,000 in bonding authority from the Indiana General Assembly to renovate and expand the existing University Center. The project is budgeted at \$17,650,000 of which \$3,900,000 will be directly funded from University reserves. Once the facility is complete it will include space for extended services operations, special events, expanded student programming, food services and bookstore. Additional student lounge spaces and conferencing capability will be added as a result of the expansion project.

# CURRENT CONSTRUCTION PROJECTS

BOARD OF TRUSTEES  
JANUARY 8, 2009

UNIVERSITY OF SOUTHERN INDIANA

An aerial photograph of a large residential development, possibly a golf course community, featuring numerous houses, winding roads, and green spaces. A semi-transparent rectangular overlay is centered over the image, containing the text 'PROJECTS UNDER CONSTRUCTION' in a bold, blue, serif font.

# PROJECTS UNDER CONSTRUCTION

# BUSINESS AND ENGINEERING CENTER



- Project Cost \$ 31,946,069
- Funding Sources: Bond Issue  
(Repaid with Fee Replacement Appropriations)

# BUSINESS AND ENGINEERING CENTER



# RECREATION AND FITNESS CENTER



- 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

# RECREATION AND FITNESS CENTER

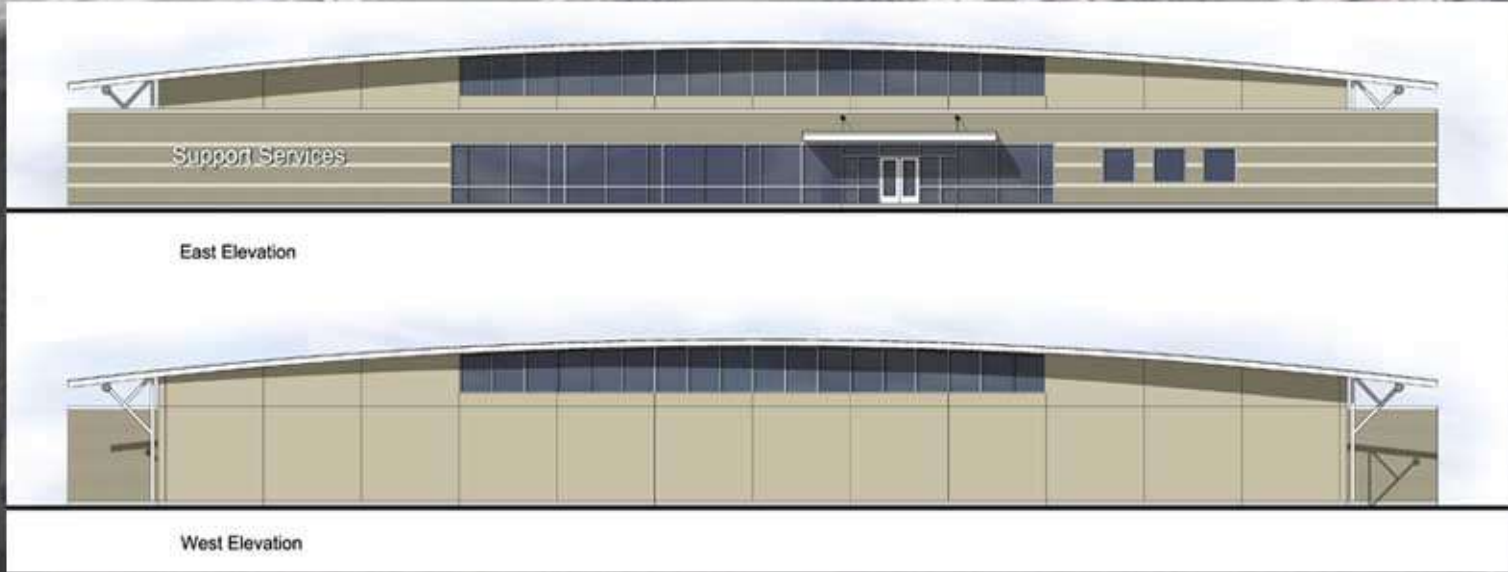




# RECREATION AND FITNESS CENTER



# SUPPORT SERVICES BUILDING



- Project Cost \$ 3,144,928
- 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
  - Special Project Reserve \$ 314,097

# SUPPORT SERVICES BUILDING



# SUPPORT SERVICES BUILDING



# CERAMICS CENTER RELOCATION



- Project Cost \$ 1,025,150
- Funding Sources:
  - Business and Engineering Center Bond Issue \$ 900,000
  - Special Projects Reserve \$ 125,150

# CERAMICS CENTER RELOCATION



# CERAMICS CENTER RELOCATION



An aerial photograph of a residential development, likely a golf course community, showing a mix of built-up areas and green spaces. A semi-transparent rectangular overlay is centered on the image, containing the text 'PROJECTS IN DESIGN' in a bold, blue, serif font. The background shows various building footprints, parking lots, and winding roads, with a large green area on the right side.

# PROJECTS IN DESIGN



# CAMPUS ENTRANCE AND LOOP ROAD



- 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

# CENTRAL HEATING & COOLING PLANT EXPANSION



- Project Cost \$ 4,854,905
- Funding Sources:
  - Business & Engineering Center Bond Issue \$ 3,150,000
  - General Repair & Rehabilitation Appropriation \$ 340,000
  - Transportation Reserve \$ 278,000
  - Energy Management Reserve \$ 1,000,000
  - Special Projects Reserve \$ 86,305

# PARKING LOT EXPANSION



- Project Cost \$ 850,000
- Funding Source:
  - Transportation System Reserve

# UNIVERSITY CENTER EXPANSION



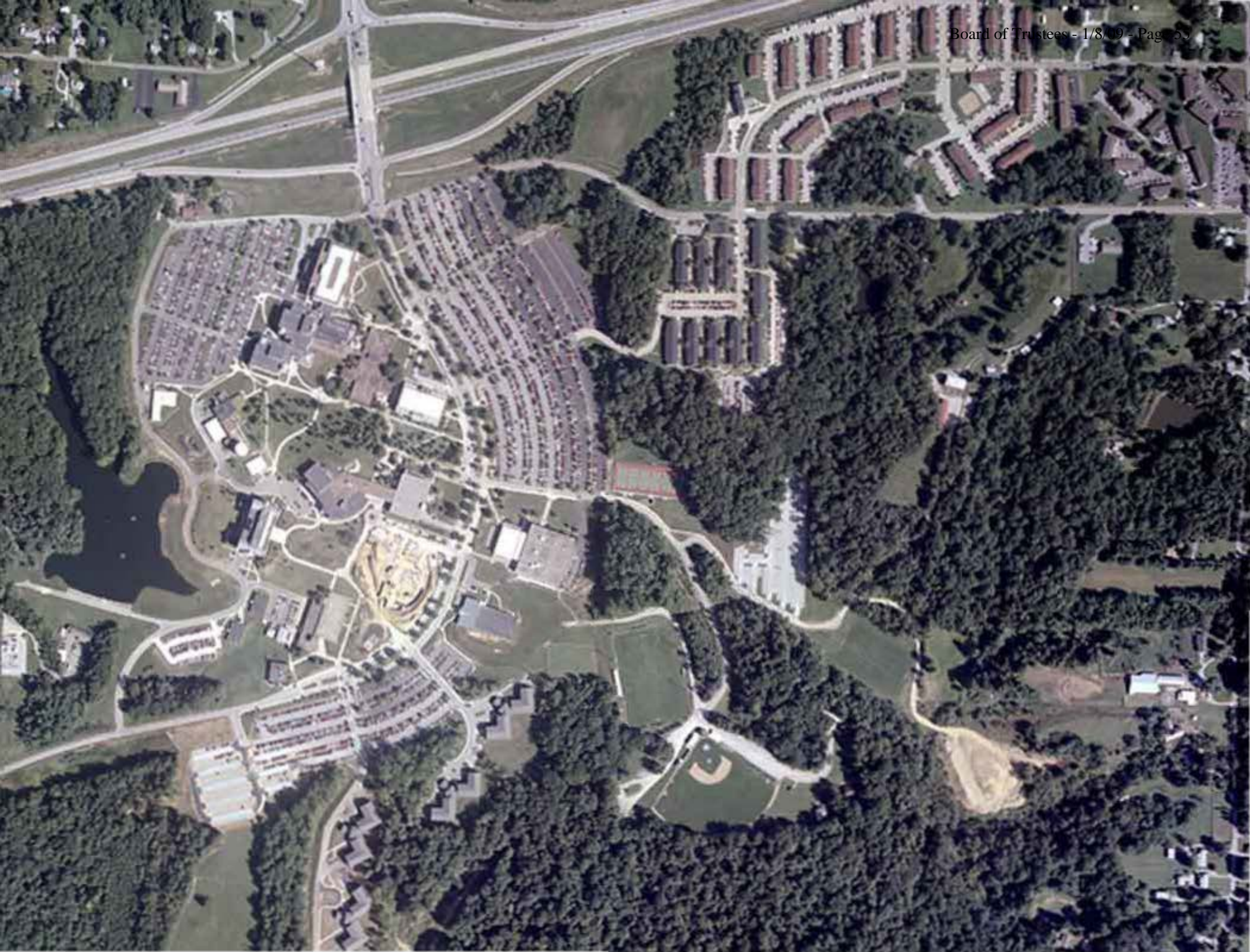
- Project Cost \$ 17,650,000
- Funding Sources:
  - Bond Issue (Repaid with Student Fees) \$ 13,750,000
  - David L. Rice Library Bond Issue \$ 800,000
  - Extended Services Fund \$ 650,000
  - Bookstore Reserve \$ 1,000,000
  - University Center Reserve \$ 1,450,000

# UNIVERSITY CENTER EXPANSION



# UNIVERSITY CENTER EXPANSION





## University of Southern Indiana Board of Trustees

### Summary Current Construction Projects January 8, 2009

#### Projects under Construction

#### **Business and Engineering Center**

Project Cost	\$31,946,069
Funding Source: Bond Issue (Repaid with Fee Replacement Appropriation)	

#### **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

#### **Support Services Building**

Project Cost	\$ 3,144,928
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
Special Project Reserve	314,097

#### **Ceramics Center Relocation**

Project Cost	\$ 1,025,150
Funding Sources:	
Business and Engineering Center Bond Issue	\$ 900,000
Special Projects Reserve	125,150



**Summary  
Current Construction Projects (continued)**

**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

**Central Heating and Cooling Plant Expansion**

Project Cost	\$ 4,854,905
Funding Sources:	
Business and Engineering Center Bond Issue	\$3,150,000
General Repair and Rehabilitation Appropriation	340,000
Transportation System Reserve	278,600
Energy Management Reserve	1,000,000
Special Projects Reserve	86,305

**Parking Lot Expansion**

Project Cost	\$850,000
Funding Source: Transportation System Reserve	

**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

Approval of the following personnel action is recommended.

## 1. Retirement

Professor of Biology Jeanne K. Barnett, in accordance with the early retirement policy, has requested retirement effective July 1, 2011, including one-half assignment during the 2010-2011 academic year. Severance pay based on 22 years of service to the University will be paid as of June 30, 2011.

Assistant Dean of College of Business and Assistant Professor of Computer Information Systems William C. Henderson, in accordance with the early retirement policy, has requested retirement effective January 1, 2011, including leave with pay for the period August 23, 2010, through December 18, 2010. Severance pay based on 27.5 years of service to the University will be paid as of January 31, 2011.

Vice Provost for Outreach and Dean of Extended Services M. Edward Jones, in accordance with the revised retirement policy, has requested retirement effective July 1, 2010, including leave with pay for the period January 1, 2010, through June 30, 2010. Severance pay based on 35 years and 11 months of service to the University will be paid as of June 30, 2010.

Instructor in Mathematics Judith L. Townsend, in accordance with the regular retirement policy, has requested retirement effective July 1, 2009.

## 2. Emeritus Status

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

Professor Emerita of Biology Jeanne K. Barnett,  
22 years at USI, effective July 1, 2011.

Assistant Dean Emeritus of College of Business and Assistant Professor Emeritus of Computer Information Systems William C. Henderson,  
27.5 years at USI, effective January 1, 2011.

Vice Provost Emeritus for Outreach and Dean Emeritus of Extended Services M. Edward Jones,  
35 years and 11 months at USI, effective July 1, 2010.

Instructor Emerita in Mathematics Judith L. Townsend,  
11 years at USI, effective July 1, 2009.