

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

**January 12, 2012**

The University of Southern Indiana Board of Trustees met in regular session on Thursday, January 12, 2012, at The Conrad in Indianapolis, Indiana. Present were Chair Ted C. Ziemer Jr. and Trustees Ira G. Boots; W. Harold Calloway; John M. Dunn; Susan Ellsperman '13; Jeffrey L. Knight; Amy MacDonell; and Ronald D. Romain '73. Trustee Steven J. Schenck '72 was absent. Also in attendance were President Linda L. M. Bennett; Provost Ronald S. Rochon; Vice President for Finance and Administration Mark Rozewski; Vice President for Government and University Relations Cynthia S. Brinker; Acting Faculty Senate Chair Steven Williams; and Student Government Association President Jordan Whittedge '12.

Mr. Ziemer called the meeting to order at 9 a.m.

**SECTION I – GENERAL AND ACADEMIC MATTERS**

**A. APPROVAL OF MINUTES OF NOVEMBER 3, 2011, AND NOVEMBER 18, 2011, MEETINGS**

On a motion by Mr. Dunn, seconded by Ms. Ellsperman, the minutes of the November 3, 2011, and November 18, 2011, meetings of the Board of Trustees were approved.

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

Mr. Ziemer called on Vice President Brinker, who announced the March 1, 2012, meeting of the Board of Trustees will be held at Innovation Pointe in downtown Evansville. She noted more details will be provided to the Trustees prior to the meeting.

**C. DISCUSSION OF THE PROPOSED INDIANA COMMISSION FOR HIGHER EDUCATION DOCUMENT  
*REACHING HIGHER: ACHIEVING MORE***

Mr. Ziemer called on President Bennett, who introduced Indiana Commissioner for Higher Education Teresa Lubbers. Commissioner Lubbers began her report by reviewing the Commission's process for developing its strategic plan. The original plan, *Reaching Higher: Strategic Directions for Higher Education in Indiana*, was approved in 2008. A revision of the plan, *Reaching Higher: Achieving More*, is nearly complete. Commissioner Lubbers reported that following the 2011 legislative session, she visited with university presidents, legislators, faculty, and others to determine what is most valued in Indiana higher education. The conclusion resulted in revised metrics for the 2013-2015 biennial budget and three new metrics related to college completion; productivity and efficiency; and learning outcomes and quality. A draft of *Reaching Higher: Achieving More* will be available in mid January 2012. The draft will be shared with various audiences across the state in February and March, and will be reviewed at the Commission's annual Weldon Conference in April 2012. In response to President Bennett's question about whether the Commission will include a review of dual credit courses in high schools in the metric related to learning outcomes, Ms. Lubbers noted the Commission is committed to accelerated models for college credit, and will continue to monitor the academic quality of the courses.

Commissioner Lubbers shared a handout of revised performance formula metrics for 2013-2015 and discussed the evolution of performance funding for higher education in Indiana. Performance funding was introduced in 2003, with the addition of metrics designed to improve college completion and change in degree in 2007. The metrics allowed for carving out new or existing funds and giving institutions the opportunity to earn them back. In 2012, the Commission will continue performance funding and has approved three categories of metrics: degree completion; progression points; and productivity. The Commissioner reported the Commission understands the University of Southern Indiana has been funded, since its establishment, at a lower rate than other Indiana institutions. She noted that while an equity adjustment is worthy of discussion, it is not related to performance funding and should be regarded as a separate issue.

Commissioner Lubbers introduced Associate Commissioner Jason Dudich, who reviewed a handout with charts related to operating funding and changes for all Indiana institutions from 2000 through 2011. He also shared a comparison of funding for USI, Ball State University, and Indiana State University. He noted in 2012-2013, USI's operating appropriation increased, while the other two institutions saw a decrease in funding. Mr. Dudich told the Trustees that legislative leaders agree there is a need to reduce some of the disparity in funding, and he expects an equity adjustment for USI in the future. He noted the state is committed to providing a high-quality and affordable option for higher education in southwest Indiana.

President Bennett thanked Commissioner Lubbers and Associate Commissioner Dudich for sharing their time and information with the Board of Trustees. She commented that, regarding the comparison of BSU, ISU, and USI, she would be happy to accept the cuts of the other institutions if she had their bases. While she recognized the support USI has received from the state and expressed appreciation, Dr. Bennett emphasized it is not fair to compare percentages of increases because they are based on very different base figures for each institution.

Students Susan Ellsperman '13 and Jason Whitley '12 commented on the excellence and value of a USI education, and questioned the disparity in funding among universities in Indiana. They expressed concern that USI is not regarded as highly as other institutions and questioned the funding discrepancies between USI and other higher education institutions. Ms. Lubbers recommended that students and others share USI success stories with legislators. She suggested that because USI is young institution, it does not have the alumni base of other institutions and therefore doesn't have the significant voice alumni provide for other institutions. She said USI's low per-student appropriation does not reflect a lack of regard for the institution.

Mr. Ziemer questioned the separation of performance metrics and equity adjustment, noting it is difficult for USI to fund performance incentives with its already low appropriation base.

Trustee Ira Boots described his company's reliance on USI graduates, which began long before he became a USI Trustee. He noted the global company, with more than 16,000 employees, measures the success of student interns and employees and tracks where they are recruited. Consistently, the best talent comes from the University of Southern Indiana, compared to other universities throughout the country. Mr. Boots described USI as an institution that brings successful and qualified graduates to his business. He challenged the Commission to understand how USI can work with the lowest funding in the state and build an institution that produces such excellence. He recommended that the performance of an institution be considered above tradition and the influence of its alumni. Commissioner Lubbers recommended that comments about the value of USI to southwest Indiana and the state, like those of Mr. Boots, be shared with legislators.

President Bennett thanked Commissioner Lubbers and Mr. Dudich for sharing this important information. She repeated that there remains a long-term need for equity consideration for USI. While equity and performance funding may be separate, they are related. USI's 2010-2015 Strategic Plan includes a goal to improve the graduation rate, but without adequate funds, it is difficult to make significant changes in a timely manner. She noted that many USI students are not on a straight-line four-year completion path and suggested more conversation with students to determine how they view their plans for college completion. She expressed concern about the practice of taking funds away and asking institutions to earn them back. Even though USI did well when the most recent funding formulas were applied, the constant change in the number and type of funding formulas makes planning difficult for a low-funded institution like USI. She assured the Commissioner that USI is focused on constant improvement.

#### **D. PRESIDENT'S REPORT**

President Bennett began her report with a summary of USI's efforts to find efficiencies in its budget, including:

- **Accounts Payable Changes:** A change in a practice in which USI absorbed fees for credit card payments to a practice of charging back the fee to those who pay with a credit card resulted in annual savings of at least \$200,000. Dr. Bennett noted there are other payment options that do not include a fee.
- **Energy Usage:** An energy audit suggested ways of curtailing energy use, including the simple act of dialing back thermostats, which amounts to annual savings of \$150,000. Possibilities for energy savings continue to be reviewed. An example is that energy savings became a part of the design of the Business and Engineering Center and UC East.

- Administrative and Salary Expense: Administrative positions were eliminated with some of those monies transferred to instructional positions. There was no salary increase in 2009-2010, which resulted in a savings of approximately \$2 million. Dr. Bennett noted, however, there are costs to salary freezes.
- Construction Costs: The University saved \$250,000 in building costs for the new Advanced Manufacturing Center by rebidding the building contract with a design that was more cost-effective.
- College Budgets: During the last budget biennium, every college reviewed budgets for savings. President Bennett expressed her concern that these savings included the areas of professional travel for faculty and funding for student worker positions. She noted the need for faculty to have professional development opportunities and noted the value of student positions on campus. Student worker positions provide students with a University connection outside the classroom, which can lead to increased retention. In other budget-related news from the colleges, Dr. Bennett reported that faculty have recently attended sessions at the National Center for Academic Transformation, a center that brings institutions together to learn from each other about ways to improve learning outcomes and save instructional costs. The work of the USI Mathematics Department to develop Rapid Review, an intensive three-week course to help students avoid the need for developmental classes (first reported to the Board of Trustees in May 2008), has resulted in mathematics faculty presenting their work at national conferences. In fall 2011, with a new course design, the Math Department served the same number of students enrolled in two courses in 18 sections compared to 27 sections in previous years. The faculty continues to work on this model, which resulted in savings of \$27,000 in addition to improved learning outcomes among the students.

She shared opportunities for continued cost savings, including:

- A review of USI's use of technology to explore ways in which technology, both in administration and instruction, can help with cost savings.
- More rapid expansion of distance education efforts is expected. Serving more students and creating more flexible programming is in USI's future.
- With the leadership of the provost and faculty, USI is moving quickly to establish a core curriculum with fewer hours and more academic coherence. Faculty Senate will vote on the new curriculum during the spring semester 2012 and, if approved, work will begin quickly to deliver the new curriculum by fall 2013. A core with fewer hours is expected to reduce dependence on part-time faculty in some fields.

President Bennett introduced Associate Professor of Sociology Steven Williams, the acting chair of the Faculty Senate for spring 2012 while Chair Adrian Gentle is on sabbatical. Dr. Williams is the 2011-2012 recipient of the prestigious H. Lee Cooper Core Curriculum Teaching Award. He came to USI in 2000 with a Ph.D. from Carleton University and bachelor's and master's degrees from the University of Alberta, Canada.

Dr. Williams reported that a Faculty Senate task force is involved in the restructure of the Core Curriculum. The model has been presented to faculty in small groups and the Senate will sponsor open town hall-style meetings for all faculty. A final recommendation will be reviewed by the Senate in March 2012. Related to the revision of the core curriculum is an effort to revise the governance structure of the Senate and its committees.

Dr. Williams reported on discussion topics for the Senate, including possible involvement with the behavioral intervention team; a charge to consider medical benefits for all unmarried partners (similar to domestic partner benefits approved by the Board of Trustees in 2012); and a request from the student newspaper, The Shield, that faculty grade distributions be made available to students.

President Bennett called on Student Government President Jordan Whitley, who reviewed SGA's activities during a productive fall 2011. Mr. Whitley reported that USI student government worked with student leaders from Indiana University and Purdue University to propose legislation to the General Assembly (SB274) to guarantee immunity for an individual calling for medical assistance for an intoxicated minor. The bill required the minor in need of assistance to complete an alcohol diversion program and serve 20 community service hours. Another bill, SB403, will provide a two-day tax-free holiday for students to purchase text books. Mr. Whitley is pleased with the coalition of SGA leaders across the state.

He noted upcoming activities including USI Day at the State House and an annual dinner with President Bennett for student leaders. SGA will host students from Northern Kentucky University in March to begin a bilateral partnership between the two groups. Mr. Whitley announced he has received a scholarship to

attend a policy conference of the American-Israeli Public Affairs Committee in Washington, DC, where he will represent USI and SGA.

President Bennett thanked Mr. Whitlege for his leadership and the significant work done by SGA, especially its work on important student issues with students at other universities.

The president referred the trustees to a data dashboard, a profile of USI Faculty in fall 2011, and noted the following data:

- An increase in grant activity over the past decade with almost \$3 million in 2010-2011 and a University focus to increase grant activity in the future
- The elimination of the College of Education and Human Services in 2011 affected college comparisons with regard to full and part time faculty, when Science and Engineering absorbed the Teacher Education and Physical Education programs, both of which have higher numbers of part-time faculty
- A focus on growing full-time faculty has resulted in success in the past decade
- The distribution of faculty by rank has remained relatively unchanged over the past decade with almost one-third of full-time faculty on non-tenure track positions, almost the same number as assistant professors working to earn tenure, with the balance serving as tenured faculty at associate and full professor ranks

President Bennett ended her report with an announcement that Trustee Susan Ellsperman '13 was named Capital One first-team Academic All-American by the College Sports Information Directors of America. To be eligible for Academic All-America consideration, a student athlete must be a key player and maintain a cumulative grade point average of 3.3. Ms. Ellsperman is one of three first-team members with a perfect 4.0 GPA. Dr. Bennett also reported that in November 2011, Ms. Ellsperman was named (for the second time) Capital One first-team Academic All-District IV and second-team All-GLVC. The Trustees joined President Bennett in congratulating Trustee Ellsperman on this much deserved recognition.

## **E. REPORT ON THE INDIANA GENERAL ASSEMBLY**

Chair Ziemer called on Vice President Brinker for a report on the Indiana General Assembly. Ms. Brinker reported members of the legislature are in a short session scheduled to end by March 14, 2012, for which approximately 785 bills have been filed in the House and Senate. Ms. Brinker reviewed the beginning of the legislative session, which did not convene as scheduled due to non-attendance by Democrat members of the House. Bills will be scheduled and heard within the next two weeks, with a third reading in both houses by February 1. As a result, many bills will not be heard due to lack of time. She noted major priorities for the session will be employees' right to work, a statewide smoking ban, taxation, and several government and regulatory reform bills.

Vice President Brinker reviewed Governor Daniels' recent State of the State Address, in which he highlighted accomplishments during his two terms and talked about what still needs to be accomplished. In reference to higher education, he called on the General Assembly to address "credit creep" – a term for the rising number of hours universities require to complete some degree programs.

Ms. Brinker reviewed the following bills that impact higher education:

HB1118 provides that the Commission for Higher Education (CHE) shall establish the maximum amount by which tuition and mandatory fees may increase for each state educational institution. The bill provides that fee rate increases approved by universities for the fiscal year beginning July 1, 2012, and ending June 30, 2012, are void and may not go into effect. It grants authority to the CHE to establish the amount a state educational institution may increase tuition and mandatory fees for the fiscal year beginning July 1, 2012. The bill was assigned to the Ways and Means Committee and has not been scheduled for a hearing.

HB1220 allows the Commission for Higher Education to approve or disapprove existing or new associate, baccalaureate, or graduate degrees. It requires each state educational institution to review its undergraduate degree programs to determine the number of credit hours required for the degree and to report the results of the review to the Commission, including a justification for any associate

degree program of more than 60 hours or baccalaureate degree program of more than 120 hours. The bill has passed out of the House Education Committee.

HB1270 abolishes the State Student Assistance Commission of Indiana (SSACI) and the Commission on Proprietary Education and requires the CHE to administer the functions of these two agencies. The bill has not been scheduled for a hearing

SB 182 requires the CHE and institutions of higher education to develop a common course numbering system for general education curriculum courses and establish statewide standards to document an individual's completion of a general education curriculum on the individual's transcript. The bill requires a state educational institution to accept an associate degree from another state educational institution as credit toward a related bachelor's degree. It has not been scheduled for a hearing.

SB 181 prohibits a state agency, including a state-supported college or university, from regulating the possession or transportation of firearms, ammunition, or firearm accessories on land or in buildings owned or leased by the state. It voids (as of July 1, 2012) any rules or policies that are in effect concerning firearms. The bill has not been scheduled for a hearing.

SB 392 requires each state educational institution to provide the CHE with information concerning grading practices for courses that are required to fill general education requirements and requires the CHE to file an annual report of the information with the General Assembly. The bill has not been scheduled for a hearing.

Vice President Brinker told the Trustees about other bills concerning granting of in state tuition to military personnel, composition of boards of trustees at Indiana University and Ball State University, the use of eminent domain by a university, and sports scholarships and player safety.

She noted it will be important to watch bills for amendments throughout the process and she will pay close attention to those bills that may have an impact on higher education.

#### **F. APPROVAL OF CONFLICT OF INTEREST STATEMENTS**

Mr. Ziemer called on Vice President Rozewski to review the Conflict of Interest Statements in Exhibit I-A. Mr. Rozewski recommended the authorization of the conflict of interest filings of trustees and senior staff for submission to the State Board of Accounts.

On a motion by Mr. Knight, seconded by Mr. Boots, the Possible Conflict of Interest Disclosure Statements in Exhibit I-A were approved.

## **SECTION II – FINANCIAL MATTERS**

### **A. REPORT ON AWARD OF CONSTRUCTION CONTRACT FOR THE ADVANCED MANUFACTURING TEACHING CENTER**

Mr. Ziemer called on Vice President Rozewski for a report on the award of the construction contract for the Advanced Manufacturing Center. Mr. Rozewski referred the Trustees to a handout, a bid tabulation of the seven bids for the project including the low bid of ARC Construction of \$3,133,000. He reminded the Trustees these are the second bids on the project and are approximately 10 percent lower than the original bids.

The Advanced Manufacturing Center will house over \$3 million of federally-funded industrial robots and other equipment used in teaching manufacturing engineering. The building will contain 16,100 square feet and has built-in flexibility to accommodate changes in machinery requirements over time. Construction began in December and is expected to be complete in 2012-2013.

### **B. REPORT ON REFUNDING OF AUXILIARY BOND ISSUE SERIES 2001A**

Mr. Ziemer asked Vice President Rozewski for a report on the refunding of Auxiliary Bond Issue Series 2001A, approved by the Board of Trustees at its meeting on November 8, 2011. Mr. Rozewski reported the refunding closed in mid-December, 2011, and the closing rate for the new issue was 1.63 percent with a five-year term.

### **C. APPROVAL OF RENOVATION OF THE LOFT DINING HALL**

Mr. Ziemer called on Vice President Rozewski to review a request for approval of the renovation of The Loft Dining Hall in the University Center. Mr. Rozewski reported the estimated cost of the renovation project is \$2.5 million and that the University must obtain approvals from the state of Indiana when it seeks to undertake capital projects over \$1.5 million if the project is funded by sources other than the state appropriation or mandatory student. The Loft Renovation Project will update the dining facility and support future enrollment growth. He reminded the Trustees that the University recently extended its contract with food services provider Sodexo and received a portion of anticipated profit-sharing funds at the time. These funds will be used to reinvest in the business via this project. Vice President Rozewski recommended approval of the project and authorization to seek necessary approvals from the state.

On a motion by Ms. MacDonell, seconded by Mr. Knight, The Loft Renovation Project and authorization for President Bennett to request approval from the Indiana Commission for Higher Education, the Indiana State Budget Committee, and the Governor of the State of Indiana were approved.

### **D. APPROVAL OF RENOVATION OF SELECTED STUDENT HOUSING APARTMENT BUILDINGS**

Mr. Ziemer called on Vice President Rozewski to review a request for approval of the renovation of selected student housing apartment buildings in 2012. Mr. Rozewski reported that the recent refunding of a bond issue not only created present value savings, it allowed the University to shorten the term of the debt. As a result, it is positioned for a borrowing in five years to support service life extension of most of the 54 apartment buildings, many of which are now approaching 30 years of use. The multi-year project will cost approximately \$5.9 million and will be funded by the Student Housing Facilities Improvement Reserve, which is supported by rental fees. Until then, the University will continue to use the annual growth in the existing Housing Facilities Improvement Reserve to renovate two or three buildings per year. In summer 2012, the Durbin and Hanley Buildings (built in 1988), will be renovated and dedicated to freshmen students. Programming for the students will be targeted to increase retention. Vice President Rozewski recommended approval of the project and authorization to seek necessary approvals from the state.

On a motion by Mr. Calloway, seconded by Mr. Romain, the renovation of selected student housing apartment buildings and authorization for President Bennett to request approval from the Indiana Commission for Higher Education, the Indiana State Budget Committee, and the Governor of the State of Indiana were approved.

### SECTION III - PERSONNEL MATTERS

#### A. REPORT ON FACULTY AND ADMINISTRATIVE RETIREMENTS

Mr. Ziemer called on Provost Rochon, who reviewed the following faculty and administrative retirements.

Associate Professor of Physical Education Jane A. Davis-Brezette, in accordance with the revised retirement policy, will retire effective January 1, 2013, including leave with pay for the period August 14, 2012, through December 12, 2012. Retirement service pay based on 42.5 years of service to the University will be paid as of December 31, 2012.

Dean of Students Barry K. Schonberger, in accordance with the early retirement policy, will retire effective January 1, 2013, including leave with pay for the period July 1, 2012, through December 31, 2012. Retirement service pay based on 38 years of service to the University will be paid as of December 31, 2012.

#### B. APPROVAL OF EMERITUS STATUS

Mr. Ziemer called on Provost Rochon, who recommended the following emeritus titles:

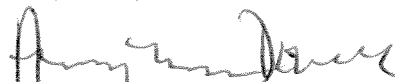
Associate Professor Emerita of Physical Education Jane A. Davis-Brezette

Dean of Students Emeritus Barry K. Schonberger

On a motion by Mr. Boots, seconded by Mr. Knight, the recommended emeritus titles were approved.

There being no further business, the meeting adjourned at 11:10 a.m.

Respectfully submitted,



Amy MacDonell  
Secretary

**University of Southern Indiana  
Possible Conflict of Interest Disclosure Statements  
Filed for 2012**

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
11-16-11	Michael Aakhus Dean – College of Liberal Arts	None	N/A
11-02-11	Janel S. Allen Assistant to the President	Safety Management Corporation	Spouse is owner
11-02-11	Linda L.M. Bennett President	None	N/A
11-28-11	Ira G. Boots Trustee	Deaconess Hospital	Board of Directors
11-16-11	Mark C. Bernhard Associate Provost for Outreach and Engagement	None	N/A
11-02-11	David A. Bower Director of Development	None	N/A
11-10-11	Steven J. Bridges Assistant Vice President for Business Affairs/Assistant Treasurer	None	N/A
11-02-11	Cynthia S. Brinker Vice President for Government and University Relations	None	N/A
11-03-11	William Harold Calloway Trustee	None	N/A
11-02-11	Katherine Draughon Executive Director of Planning, Research and Assessment	None	N/A
11-03-11	John M. Dunn Trustee	Dunn Hospitality Group Evansville Commerce Bank St. Mary's Health System Welborn Foundation WNIN	Majority Stockholder Spouse is Director Director Director Director
11-03-11	Susan Ellsperman Trustee	None	N/A
11-02-11	Scott Gordon Dean – College of Science, Engineering and Education	None	N/A
11-03-11	Jon Mark Hall Director of Athletics	None	N/A



DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
11-02-11	Mary A. Hupfer Assistant Vice President for Business Affairs/ Foundation Fiscal Officer	None	N/A
11-08-11	Mohammed Khayum Dean – College of Business	None	N/A
11-15-11	Marcia Kennard Kiessling Associate Provost for Student Affairs	None	N/A
11-03-11	Jeffrey Knight Trustee	Old National Bank	Stockholder & Employee
11-03-11	Amy MacDonell Trustee	JP Morgan Chase	Shareholder
11-02-11	Brian Posler Associate Provost for Academic Affairs	None	N/A
11-02-11	Ronald Rochon Provost	None	N/A
11-12-11	Ronald D. Romain Trustee	Romain Buick, Inc.	Shareholder
11-02-11	Mark Rozewski Vice President for Finance and Administration/ Treasurer	Veasey Parrott Durkin & Shoulders	Wife is employee
11-03-11	Steven J. Schenck Trustee	Merrill Lynch/Bank of America	Financial Advisor
11-03-11	Ann H. White Interim Dean - College of Nursing and Health Professions	None	N/A
11-02-11	Todd Wilson Assistant Vice President for Marketing and Communications	None	N/A
11-03-11	Ted C. Ziemer Jr. Trustee	None	N/A