

MINUTES OF THE JOINT MEETING OF THE FINANCE COMMITTEE
AND THE LONG-RANGE PLANNING COMMITTEE
February 18, 1986

A joint meeting of the University of Southern Indiana Board of Trustees Finance Committee and the Long-Range Planning Committee was held on campus on Tuesday, February 18, 1986 at 9:00 a.m. Trustees present were William Brooks, Robert Fair, Carole Rust, Joseph O'Daniel, and Eric Williams. Others present were USI President David Rice, Vice President for Business Affairs and Treasurer Byron Wright, Vice President for Academic Affairs Robert Reid, Vice President for Administration Donald Bennett, and Assistant to the President Sherrienne Standley.

Finance Committee Chairman Joseph O'Daniel opened the meeting. Mr. O'Daniel asked Mr. Wright to review the budget preparation process and explain budget documents previously distributed to members. Mr. Wright reviewed three models with varying assumptions about salary increases, tuition rates, and inflationary items. He informed the members that insurance costs have increased by \$172,000, necessitating increases in revenues to meet the cost. Both Mr. Wright and Dr. Rice discussed USI's salary and compensation levels, and compared them to public institutions within the state and with other similar institutions.

Mr. Brooks asked about the effect of tuition increases on enrollment, and Mr. Wright explained that the enrollment has never dropped when increases were made in tuition rates, but that the institution has no information about those who did not enroll because of the higher rates. Mrs. Rust asked about the effect of federal cutbacks, and a discussion ensued about the shift in philosophy on the part of the federal government, which is moving from grants to loans for financing students' education.

Mr. Brooks asked Mr. Wright which of the budgetary models might be recommended to the Board. Mr. Wright said that the model which included a 5.5 percent increase in salaries with an additional 2 percent to be use for attracting and retaining faculty; with a 3 percent increase in supplies and expense, except for library acquisitions which would be at 6 percent; and a \$3.00 fee increase probably would be the closest model. Dr. Rice said that a tuition increase would provide the institution with funds to enhance current academic programs and invest in new programs which specifically address legislative concerns about educational attainment and economic development in the southern Indiana region. He told the members that the refinancing of bonds had made funds available to the institution and that this development would lead to a positive impact on students and the institution. The members discussed enrollment trends, retention, and continuing education programs and the impact of each on revenues. Committee members were invited to make recommendations about budgetary priorities. Dr. Rice explained that specific recommendations about tuition rates, salary increases, and investment priorities will be brought to the committee before the May meeting of the Board, when approval of the budget will be requested.

Dr. Bennett informed members that preliminary planning had begun for a new classroom building. A university committee has studied needs and space use and made a detailed report. The document will become the foundation for further planning. Dr. Bennett explained information in an executive summary of the document which had been previously distributed to the Board. He said the Board will be asked, at the March meeting, to approve a request for the Commission for Higher Education to appropriate planning funds for the building. The building was listed as a priority in the long-range planning document filed in 1985 with the Commission. Mr. O'Daniel suggested that the University consider a consultant to assist in planning the building.

The meeting was adjourned at 10:55 a.m.