

AGENDA

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

November 2, 2000

SECTION I – GENERAL AND ACADEMIC MATTERS

- A. Approval of Minutes of September 7, 2000 Meeting
- B. Establishment of Next Meeting Date, Time, Location
- C. President's Report
- D. Report of the Long-Range Planning Committee
- E. Approval of New Degree Program: Bachelor of Science in Applied Computer Science
- F. Resolution Authorizing the Long-Range Planning Committee to Act on Behalf of the Board of Trustees

SECTION II – FINANCIAL MATTERS

- A. Report on Student Financial Assistance
- B. Report of the Finance Committee
- C. Update on Current Construction Projects
- D. Approval of Anthem Blue Cross/Blue Shield Group Health Insurance and Health Resources, Inc. Dental Insurance Premium Rates
- E. Approval of Welborn HMO Group Health Insurance and Health Resources, Inc. Dental Insurance Premium Rates
- F. Approval of the Flexible Benefit Plan Administrative Fee

SUPPLEMENTAL INFORMATION

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

NOVEMBER 2, 2000

SECTION I – GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF SEPTEMBER 7, 2000 MEETING**
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION**
- C. PRESIDENT'S REPORT**
- D. REPORT OF THE LONG-RANGE PLANNING COMMITTEE**
- E. APPROVAL OF NEW DEGREE PROGRAM: BACHELOR OF SCIENCE IN APPLIED COMPUTER SCIENCE**

Approval of the following new degree program (Exhibit I-A) is recommended.

Proposal for the Bachelor of Science in Applied Computer Science

The School of Business proposes to offer a bachelor's degree program in Applied Computer Science, Exhibit I-A. The implementation date is the fall semester, 2001.

The major in Applied Computer Science will prepare graduates for positions as computer programmers, software engineers, and program developers. The School of Business will offer the program with four new courses, courses from the existing minor in computer science, and supporting courses from existing programs in computer information systems, electrical engineering, and mathematics.

The School of Business faculty developed this program with substantial input from a panel of information technology managers representing fifteen area employers. It is recommended by the Dean of the School of Business and has been approved by the University Curriculum Committee, the Academic Planning Council, the Faculty Senate, and the President.

F. RESOLUTION AUTHORIZING THE LONG-RANGE PLANNING COMMITTEE TO ACT ON BEHALF OF THE BOARD OF TRUSTEES

Approval of the following resolution is recommended.

WHEREAS, the University desires to advance its proposal for new engineering-related degree programs; and

WHEREAS, internal approvals were not possible prior to the November meeting of the Board of Trustees; and

WHEREAS, timely approval by the Board of Trustees to meet Commission for Higher Education timelines will be needed before the next regular meeting of the board of Trustees in January;

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees that the Board authorizes the Long-Range Planning Committee to act on its behalf to approve new programs in the engineering field, pending prior approvals by the Curriculum Committee, the Academic Planning Council, the Faculty Senate, and the President.

SECTION II - FINANCIAL MATTERS

A. ANNUAL REPORT ON STUDENT FINANCIAL ASSISTANCE

A summary will be presented on Student Financial Assistance administered by the University during the 1999-2000 academic year.

B. REPORT OF THE FINANCE COMMITTEE

The Finance Committee will meet prior to the Board meeting on November 2. A report will be presented.

C. UPDATE ON CURRENT CONSTRUCTION PROJECTS

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

The University of Southern Indiana offers two health insurance programs through Anthem Blue Cross/Blue Shield - the Blue Traditional Plan (Indemnity) and the Blue Access Plan (PPN).

In 2000 the University implemented the deposit premium financial arrangement to minimize the impact of the 2000 renewal rates. The University proposes to continue the deposit premium financial arrangement, a cash flow model in which the University retains a reserve account and remits a portion of the monthly premium to Anthem. If expenses exceed the remitted amount, the University agrees to remit up to the full premium amount. The advantage of this arrangement is that the favorable cash flow associated with future underwriting gains is advanced to the University prior to the annual settlement. If underwriting gains do not occur, or are less than the amount of premium not paid, the University is not responsible for paying expenses above the full premium fee. The 2001 premium rates for the Anthem Blue Cross/Blue Shield Blue Traditional and Blue Access health insurance plans were established using the deposit premium financial arrangement.

A comprehensive review of claims from both Anthem health plans indicates medical and drug claims totaled 61.2 percent of paid premiums under the deposit premium arrangement, for an underwriting gain of 16.4 percent. Anthem projects an increase of approximately 6 percent in claims in 2001 based on trend factors of 16 percent for medical and 26 percent for drugs.

BLUE TRADITIONAL PLAN - (INDEMNITY)

The following Anthem Blue Cross/Blue Shield health insurance monthly premium rates for the Blue Traditional Plan have been quoted for a twelve-month period beginning January 1, 2001.

The medical premium rates from Anthem Blue Cross/Blue Shield for 2001 reflect a 2.5 percent rate increase for single, family, and retiree (over 65) memberships.

There are several plan design changes proposed by Anthem and the University:

- Lifetime Maximum - increase from \$1 million to \$5 million;
- Qualified Student Dependents - coverage effective through age 24, if student can be claimed on employee's federal income taxes;
- Deductible - increase from \$150/\$300 to \$200/\$400;
- Outpatient Therapy - subject to limits: Occupational Therapy - 90 visits; Spinal - 12 visits; Speech - 40 visits;
- Preventative Care - \$200 child/\$500 adult limit;
- Ambulance, Home Health Care, and Medical Aids Coverage - no limits.

The twelve-month renewal rates effective January 1, 2001, for Health Resources, Inc. dental insurance reflect a 6.5 percent rate increase for 2001. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures in 2000.

The 2001 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield - Blue Traditional Plan and Health Resources, Inc. provide the primary

health/dental insurance for 307 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

Approval to renew the master policies with Anthem Blue Cross/Blue Shield - Blue Traditional Plan including plan design changes and Health Resources, Inc. with the following rate schedule is recommended.

**2001 MONTHLY PREMIUM RATES
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE TRADITIONAL PLAN**

	<u>BC/BS MEDICAL PREMIUM*</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>	<u>2000 TOTAL MONTHLY PREMIUM</u>
Single	\$262.71	\$18.88	\$ 8.50	\$290.09	\$269.71
Family	\$678.24	\$47.88	\$22.00	\$748.12	\$695.58
Over 65 (Retired)	\$222.53	\$18.88	\$ 8.50	\$249.91	\$232.47

- (The 2001 renewal rate for medical premiums reflects an adjusted premium rate utilizing a factor of 1.0)

BLUE ACCESS PLAN – (PREMIUM PREFERRED NETWORK: PPN)

The Anthem Blue Cross/Blue Shield - Blue Access Plan provides employees with a second option in their selection of medical insurance plans. The Blue Access Plan is designed with elements of a managed care plan as an incentive to reduce medical costs. The Blue Access Plan was first offered with the 1999 renewal. The following Anthem Blue Cross/Blue Shield health insurance monthly premium rates for the Blue Access Plan have been quoted for a twelve-month period beginning January 1, 2001.

The medical premium rates from Anthem Blue Cross/Blue Shield for 2001 reflect a 2 percent increase for single, family, and retiree (over 65) memberships.

There are several plan design changes proposed by Anthem and the University:

- Lifetime Maximum - increase from \$1 million to \$5 million;
- Qualified Student Dependents - coverage effective through age 24, if student can be claimed on employee's federal income taxes;
- Out-of-Pocket Maximum for In-Network - \$325/\$650;
- Non-Network Deductible - increase from \$150/\$300 to \$200/\$400;
- Outpatient Therapy - subject to limits: Occupational Therapy - 90 visits; Spinal - 12 visits; Speech - 40 visits;
- Preventative Care - \$10 co-pay with no limits;
- Ambulance, Home Health Care, and Medical Aids Coverage - no limits;
- Urgent Care Center Visits - \$25 co-pay;
- Emergency Room Visits - \$50 co-pay unless admitted.

The twelve-month renewal rates effective January 1, 2001, for Health Resources, Inc. dental insurance reflect a 6.5 percent rate increase for 2001. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures in 2000.

The 2001 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield - Blue Access Plan and Health Resources, Inc. provide the primary health/dental insurance for 119 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

Approval to renew the master policies with Anthem Blue Cross/Blue Shield - Blue Access Plan including plan design changes and Health Resources, Inc. with the following rate schedule is recommended.

**2001 MONTHLY PREMIUM RATES
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE ACCESS PLAN**

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>	<u>2000 TOTAL MONTHLY PREMIUM</u>
Single	\$221.64	\$18.88	\$ 8.50	\$249.02	\$243.51
Family	\$572.34	\$47.88	\$22.00	\$642.22	\$628.08
Over 65 (Retired)	\$186.75	\$18.88	\$ 8.50	\$214.13	\$209.31

E. 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 HMO is administered locally and currently provides services to approximately 40,000 members in the local area.

Due to a 22 percent increase in the total cost of claims, the quoted premium rates effective for a twelve-month period beginning January 1, 2001, reflect a 23.4 percent increase for single and family coverage and a 38 percent increase for retirees (over 65). There were no proposed changes to the existing benefits.

The twelve-month renewal rates effective January 1, 2001, for Health Resources, Inc. dental insurance reflect a 6.5 percent rate increase for 2001. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures in 2000.

The 2001 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 313 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

Approval to renew the master policies with Welborn HMO and Health Resources, Inc. with the following rate schedule is recommended.

**2001 MONTHLY PREMIUM RATES
WELBORN HMO**

	<u>WELBORN MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>	<u>2000 TOTAL MONTHLY PREMIUM</u>
Single	\$210.81	\$18.88	\$ 8.50	\$238.19	\$197.00
Family	\$545.79	\$47.88	\$22.00	\$615.67	\$509.11
Over 65 (Retired)	\$247.72	\$18.88	\$ 8.50	\$275.10	\$205.61

F. APPROVAL OF THE FLEXIBLE BENEFIT PLAN ADMINISTRATIVE FEE

The Section 125 Flexible Benefit Plan, which was 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 25 percent of the eligible employees participate in the uninsured medical expense and dependent care reimbursement plans, and 99 percent of employees with medical insurance are enrolled in the premium-only portion of the plan.

During the 1999 plan year, University savings were \$61,772 due to reduced FICA tax (Social Security and MQFE).

Olive LLP administers the plan for the University. The per-participant administrative fee of \$5.50 per month has been in effect since January 1, 1998. Renewal rates from Olive LLP reflect no rate increase for a twelve-month guarantee period effective January 1, 2001.

Approval to renew the administrative arrangement with Olive LLP for the Section 125 Flexible Benefit Plan with the quoted per-participant rate is recommended.

Abstract
Bachelor of Science in Applied Computer Science
University of Southern Indiana

Objectives:

This program is designed to prepare graduates for positions in software engineering and program and system development in businesses and scientific organizations.

Clientele to be Served:

Computer Science is a popular major for prospective students. Information from recent PSAT and SAT tests show that an average of 4.8 percent of high school students taking these exams indicated a preference for computer and information science majors. If that percentage were applied to USI's enrollment, it would yield 433 students. There are currently 265 majors in the existing computer information systems program, which stresses business applications of existing software rather than creation of software. Thus, one could conclude that there would be significant demand for this new program.

Curriculum:

The program will be offered with two options: a business option, designed to meet the needs expressed by a panel of information technology managers from the area's major employers; and a technical option, designed to meet the need for scientific programmers and civil service requirements for computer scientists.

Both programs require completion of 124 semester credit hours with 50-51 credit hours from the University Core. The business option requires an additional 9 hours of applied mathematics, 10 hours of business courses, 45 hours within the major, and 9-10 hours of electives. The technical option requires an additional 12 hours of mathematics, 7 hours of business courses, 45 hours within the major, and 9-10 hours of electives.

Employment Possibilities:

There is a demand for graduates of this program in southwestern Indiana. Information collected by the University's Economic and Workforce Development Task Force indicated that the Indiana Department of Workforce Development estimated 300 openings for computer scientists in the 11 counties of the region between 1996 and 2006. A recent Hudson Institute study of workforce needs in six southwestern Indiana counties and Henderson County in Kentucky estimated 120 current openings for computer programmers and 122 new openings to be created in the next three years.

There also is a large demand nationwide. The U.S. Department of Labor estimated openings for 554,000 systems analysts, 268,000 data base managers, and 250,000 computer engineers nationwide between 1996 and 2006.