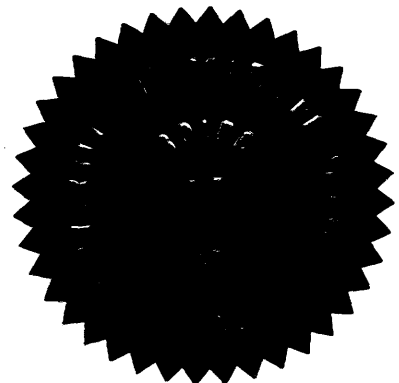


MINUTES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

January 10, 2002



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

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The University of Southern Indiana Board of Trustees met in regular session on Thursday, January 10, 2002, at the Embassy Suites Hotel in Indianapolis, Indiana. Present were trustees Bruce Baker, Louise Bruce, Patrick Hoehn, David Huber, Walter Jermakowicz, Tina Kern-Raibley, Thomas McKenna, and Harolyn Torain. Also attending were President H. Ray Hoops, Vice Presidents Robert Reid, Richard Schmidt, and Sherrienne Standley; Acting Vice President John Deem; and Student Government Association President Rick Hudson.

There being a quorum present, the meeting was called to order at 10:05 a.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF NOVEMBER 1, 2001, MEETING

On a motion by Mr. McKenna, seconded by Ms. Kern-Raibley, the minutes of the November 1, 2001, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Thursday, March 7, 2002, in New Harmony, Indiana.

C. PRESIDENT'S REPORT

President Hoops began his report by thanking the trustees for their attendance at the legislative breakfast held prior to the meeting. He noted that their communication and interaction with state legislators is a very effective part of sharing the University's story throughout the state.

President Hoops announced two key administrative appointments. Dr. Robert Ruble, who has been Associate Vice President for Fiscal and Physical Affairs for the past year and a half, has been appointed Vice President for Business Affairs effective March 1, 2002, to replace Richard Schmidt when Mr. Schmidt retires. Jon Mark Hall, who has served as assistant athletic director and men's tennis coach for more than six years, was appointed to replace Steve Newton as Athletic Director. He noted that both of these appointments followed careful searches by institution-wide committees on which faculty, staff, and students were represented, and in both cases, the search committee recommendations were very positive. The president reported that the search for a Vice President for Student Affairs continues and he expressed appreciation to John Deem for serving as Acting Vice President in the interim.

He reported that on November 26, the University was pleased to host the first in a series of statewide public hearings sponsored by the House Ways and Means Committee on the Governor's proposed tax restructuring and deficit reduction plans. More than 20 committee members attended the hearing and Governor O'Bannon flew to Evansville to appear before the committee and testify concerning his proposed plans. President Hoops noted that Trustee Tom McKenna traveled to Evansville to participate in the hearing on behalf of the Lt. Governor.

The president reported that the Kennedy Center American College Theater Festival regional competition is currently underway in Evansville. The University of Southern Indiana is the host this year and next year for the Festival, which will attract more than 1,500 participants, the largest ever in the history of the competition. Eight colleges and universities in the region have been invited to compete with their chosen plays and over the course of four days, eight plays will be presented with the sets being installed and struck twice a day. In addition, faculty and students will participate in workshops aimed at improving their craft. He noted that it is a monumental undertaking and he congratulated the USI Theatre Department for attracting the festival to Evansville. He thanked the Special Events staff and University volunteers who are supporting it, including Trustee Bruce Baker and his wife Carol who

will host a pre-performance dinner for the Society for Arts and Humanities members attending the Friday night play.

He noted that WSWI Radio celebrated 20 years on the air in November and congratulated the faculty and students who worked to create this campus communication medium. The president also noted that the New Harmony Theatre will celebrate its fifteenth season under USI management this year, and that there will be opportunities to join faculty, staff, and actors this summer for an event to mark the milestone. He remarked that as Indiana's only Actors' Equity theatre outside the Indianapolis area, New Harmony Theatre adds impressively to the arts and cultural sphere of southern Indiana, a role of which the University is most proud.

President Hoops reported that Student Development continues to expand its programming for USI's increasingly residential campus. The First Year Initiatives program sponsored a trip to Indianapolis for students in the program as well as for USI international students to attend the International Festival. The USI Greek community held its annual Presentation Ball to introduce the newest members of sororities and fraternities. They were proud to note that the event was alcohol free. Dr. Hoops also noted that Student Development had more than 250 students participate in spring semester orientation, advising, and registration and remarked that these are students new to USI for the spring semester.

He was pleased to report that several student groups reached out to the community during the fall semester and the holidays. Student leaders in the O'Daniel Leadership Academy held a holiday party for residents of the Hillcrest Washington Youth Home; the men's basketball team visited children in area hospitals; and the Public Relations Society Student chapter collected and donated more than 350 new toys for the Ark Crisis Nursery.

President Hoops was happy to announce that Trustee David Huber and his wife Sarah have created a charitable annuity trust that will endow two Presidential Scholarships. He thanked the Hubers for their excellent example of leadership in assuring the future of the University's most important scholarship program.

The President introduced Rick Hudson, president of the Student Government Association, for a report. Mr. Hudson reported that four students, including him and Trustee Walter Jermakowicz, attended the Commission for Higher Education conference for student leaders in November, where they discussed issues concerning college students throughout the state of Indiana. He noted that SGA has made recent recommendations about transportation, the campus shuttle service, lighting, and the possible installation of additional automatic teller machines on campus. The Student Government Association is represented on the Library Expansion Planning Committee and fully supports the recommendations for improvements to the library. He reported that a recent survey designed to determine the needs of students living in the three residence halls focused on student opinions about parking, the Recreation and Fitness Center, the Student Health Center, and future campus projects. Copies of the results have been presented to the Director of Security and to the Parking Committee. Mr. Hudson closed his remarks with a report that the annual reception for evening students was held in November. SGA received very positive feedback on this event, which allows those students who attend only evening classes to interact with other students.

President Hoops reminded the trustees that the National Conference on Trusteeship sponsored by the Association of Governing Boards will be held in Boston April 20-23. He noted that the USI Board of Trustees has had broad participation in this event and encourages members to attend this year if their schedules permit. He reported that additional information will be provided by Janel Allen, Assistant to the President. He took this opportunity to explain that the University has been in the process of centralizing all the Board of Trustees files in the President's Office and from this point on, most of the correspondence and meeting details will be handled by Ms. Allen. He noted that she brings a long institutional memory to the position, not only from her time in the President's Office, but also from her tenure as Vice President Richard Schmidt's assistant.

Dr. Hoops thanked Trustee Tom McKenna for agreeing to represent the University at the inauguration of the new president of Butler University on February 9, 2002, and noted that it is important for the University to be so ably represented at celebratory events at our sister institutions in Indiana.

He reported that the NCAA Division II Elite Eight men's basketball tournament will be played at Roberts Stadium in Evansville in March. This is an excellent opportunity to showcase our city's hospitality and make an impression which could lead to the tournament's return with a multi-year commitment. He

remarked that many USI staff members are involved in the planning and that both our Varsity Club and our Alumni Association have signed on to host visiting teams while they are in Evansville.

He brought to the attention of the trustees a copy of a report in their meeting packets, the Annual Report of the University, produced by Internal Auditor Diana Biggs in cooperation with the Business Affairs staff and the State Board of Accounts.

President Hoops concluded his report by commenting on the USI Foundation Honor Roll of Donors that was mailed to the University community in November. This publication lists all the University's contributors in the last fiscal year. He noted that the art work on the cover was produced by Erich Shelton, who holds an associate degree in graphic design from Ivy Tech State College, and who now is pursuing a bachelor's degree at USI. He offered congratulations to the Foundation staff for this excellent publication.

D. APPROVAL OF NEW DEGREE PROGRAM: Bachelor of Science with a major in Electronic Business

Vice President Reid introduced Phil Fisher, Dean of the School of Business, who described the proposed degree program.

On a motion by Ms. Kern-Raibley, seconded by Mr. McKenna, the following new degree program, Bachelor of Science with a major in electronic business, described in Exhibit I-A, was approved.

The School of Business proposes to offer a bachelor's degree program in electronic business (e-business). The implementation date is fall semester 2002.

This program will prepare graduates for jobs in business where the Internet is used in internal processes, in supply-chain management, or in reaching customers. The major includes one new course along with courses from the computer information systems major and five recently-added courses for the electronic business area of interest within the business administration major.

This program was developed with the assistance of an ad hoc advisory board of fifteen information technology managers and consultants who work on business applications of the Internet. The program primarily uses courses already in place. It was recommended by the University Curriculum Committee, the Academic Planning Council, the Faculty Senate, and the President.

E. DISCUSSION OF CHARTER SCHOOLS

President Hoops remarked that the Long-Range Planning Committee, at its meeting on November 1, 2001, discussed the University's options regarding charter school legislation and that each board member had received a report on charter schools prepared by M. Edward Jones, Associate Vice President for Academic Affairs. He called on Dr. Jones to present a summary of the report.

Dr. Jones presented an overview of charter school options and issues to be considered, including the responsibilities of the organizer and sponsor, the funding of a charter school, and points in favor of and against support of sponsorship. He ended his report with a discussion of four options:

1. Authorize USI to become a charter school sponsor by allocating existing funds for staff to oversee the program or by investment of new monies to support the project;
2. Partner with another state institution to share resources and expenses;
3. Postpone sponsorship until the interest in and need for charter schools is better known;
4. Do not become a sponsor.

President Hoops presented a recommendation to delay any action on charter schools, with the presumption that if a proposal or program is received that has a strong element of public interest for the region that can be properly capitalized, the Board of Trustees would at that time set up a review mechanism and would review the individual proposal.

Following discussion, the board deferred any action on charter schools until such time as additional developments make a compelling case for sponsorship.

F. APPOINTMENT OF TREASURER

President Hoops announced that effective March 1, 2002, Richard W. Schmidt will be named Senior Vice President and Robert W. Ruble will be named Vice President for Business Affairs.

On a motion by Mr. Baker, seconded by Mr. Hoehn, Robert W. Ruble's appointment as Treasurer, effective March 1, 2002, was approved.

SECTION II - FINANCIAL MATTERS

A. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

The Long-Range Planning Committee met prior to the Board of Trustees meeting on January 10, 2002. Mr. Baker reported that the committee received a report on the University Division.

B. REPORT OF THE CONSTRUCTION COMMITTEE

Mr. Huber reported that when the Construction Committee met on November 29, 2001, it selected five architectural firms to interview for the David L. Rice Library Expansion Project. The committee will meet on January 25, 2002, to interview the following firms:

- Edmund L. Hafer & Associates with Woollen, Molzan and Partners
- Hastings + Chivetta Architects, Inc.
- Peckham Guyton Albers & Viets, Inc.
- MSKTD & Associates, Inc. with Gwathmey, Siegel & Associates
- Schmidt Associates, Inc. with Ayers Saint Gross

Mr. Huber reported that at its meeting prior to the board meeting on January 10, 2002, the Construction Committee reviewed proposals from the firms listed above and received a report of change orders issued.

C. REPORT OF THE FINANCE COMMITTEE

Mr. Huber reported that the Finance Committee met on November 26, 2001, and approved a resolution authorizing the sale of student fee bonds to finance the construction of the Science and Education Center.

At its meeting prior to the board meeting on January 10, 2002, the Finance Committee was presented an update on the sale of the bonds for the Science and Education Center, received a report on the Voluntary Employees' Benefit Association (VEBA) Trust Fund, and approved budget appropriations, adjustments, and transfers.

D. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Steve Helfrich, Director of Facilities Operations and Planning, reported on current construction projects. He noted that the Science and Education Center Project is on schedule, with 50 percent of the foundation installed for the science wing and 50 percent of the structural steel frame installed for the education wing.

Mr. Helfrich reported that the construction of a service drive and walkways, now underway, will complete the associated site improvement work for the Science and Education Center.

E. APPROVAL OF RECOMMENDATION FOR 2002-03 HOUSING RATES

On a motion by Ms. Kern-Raibley, seconded by Mr. Jermakowicz, the following housing rates for 2002-03 were approved.

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
<u>FALL OR SPRING SEMESTER</u>			
<u>APARTMENT</u>			
Two Bedroom, Four Student	\$1,260	\$1,320	7-01-02
Two Bedroom, Two Student	2,400	2,400	7-01-02
One Bedroom, Two Student	1,565	1,625	7-01-02
One Bedroom, One Student	3,000	3,100	7-01-02

RESIDENCE HALL

Two Bedroom, Four Student	\$1,260	\$1,320	7-01-02
One Bedroom, Two Student	1,100	1,320	7-01-02
One Bedroom, One Student	2,100	2,450	7-01-02

SUMMER SESSIONS

Summer session rates, effective May 1, 2002, are indexed to the semester rates above. The rate for each five-week summer session is 20 percent of the one-semester rate.

F. APPROVAL OF RECOMMENDATION FOR 2002-03 MEAL PLAN RATES

Students who live in the Residence Halls (Newman Hall, Governors Hall, and O'Bannon Hall) are required to purchase a Resident Meal Plan. Three plans are available from which students can choose. The proposed rates allow for normal increases in food and labor costs.

On a motion by Ms. Kern-Raibley, seconded by Mrs. Torain, the following meal plan rates for 2002-03 were approved.

FALL OR SPRING SEMESTER

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
Red Eagle Plan	\$1,496	\$1,496	7-01-02
White Eagle Plan	1,296	1,349	7-01-02
Blue Eagle Plan	1,096	1,159	7-01-02

SUMMER SESSIONS

Meal plans are not offered during summer sessions.

G. DISCUSSION OF 2003-2013 TEN-YEAR CAPITAL IMPROVEMENT PLAN

Associate Vice President for Fiscal and Physical Affairs Robert W. Ruble discussed the Ten-Year Capital Improvement Plan for 2003-2013 in Exhibit II-A. The 2003-2005 Capital Improvement Budget Request, of which the ten-year capital plan is a part, will be submitted to the Indiana Commission for Higher Education in June 2002.

SECTION III – PERSONNEL MATTERS

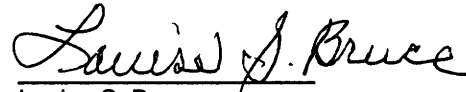
A. APPROVAL OF PERSONNEL ACTIONS

On a motion by Ms. Kern-Raibley, seconded by Mr. Baker, the following personnel action was approved.

The USI Board of Trustees, at its meeting on July 2, 2001, approved early retirement and emeritus status of Professor Emeritus of Civil Engineering Technology for Augustine J. Fredrich effective June 30, 2002. Mr. Fredrich has requested that the effective date be changed to June 30, 2003, including leave with pay for the period of January 1, 2003, through June 30, 2003. Severance pay based on 24 years of service to the University will be paid as of June 30, 2003.

There being no further business, the meeting adjourned at 11:50 a.m.

Respectfully submitted,



Louise S. Bruce
Secretary

Abstract
Bachelor of Science With a Major In Electronic Business (E-Business)
University of Southern Indiana

Objectives

Students in this program will receive preparation in the business applications of the Internet and the technical preparation necessary to design systems or to maintain and enhance existing systems. This program will prepare them for jobs in business where the Internet is used in internal processes, in supply-chain management, or in reaching customers.

Clientele to Be Served

Clientele will include undergraduate students preparing for careers in business who wish to be prepared to work in Internet applications.

Curriculum

The program requires completion of the university core curriculum (51 hours), the business core (31 hours), and the eleven major courses (33 hours). Major courses include an introductory course, four courses covering business issues in the use of the Internet (finance, marketing, supply-chain management, security, ethics, and controls), and six technical courses. Five of the technical courses are courses in our computer information systems program and have recently been updated to include web site design and other topics related to the use of the Internet in business.

Employment Opportunities

This program was designed with the assistance of a task force of individuals who are either e-business consultants or who are responsible for e-business applications in their businesses. The program was designed to meet the employment needs for these representatives of the region's major employers.

Long-term prospects for employment in this field are excellent. Much of the productivity gains realized by U.S. businesses in the decade of the 1990s were realized through applications of computer technology and the Internet. Most experts believe that there are still many opportunities for new applications.

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE C
2003-2013 TEN-YEAR CAPITAL IMPROVEMENT PLAN (BUILDINGS)
(all amounts expressed in 2003-05 dollars)

	NEAR-TERM 2003-05 Biennium		MEDIUM-TERM 2005-07 Biennium		LONG-TERM 2007-13 Biennium				
	Projected State Amount	Funding Other Sources (2)	Specs Change A.S.F.	Projected State Amount	Funding Other Sources (2)	Specs Change A.S.F.	Projected State Amount	Funding Other Sources (2)	Specs Change A.S.F.
I. New Construction									
1. Library/Classroom Expansion/Renovation (Note 1)	\$29,084,830		81,800						
2. University Center Expansion		\$9,750,000 b	35,000						
3. General Classroom Building				\$28,000,000	\$4,000,000	80,000			
4. Classroom Renovation/Expansion							\$16,000,000		50,000
5. Fitness Center Expansion - Phases II and III		\$7,500,000 a	55,000		\$5,500,000 b	27,000		\$7,000,000 b	25,000
6. Student Residence and Dining Buildings		\$2,000,000 b			\$12,000,000 a	66,200		\$8,500,000 a	55,000
7. Parking Facilities				\$8,430,000	\$6,430,000 c	58,000		\$7,000,000 b	
8. Physical Activities Center (PAC) Addition							\$16,000,000		
9. Performing Arts Center									60,000
II. Facilities Acquisition									
None									
III. Lease									
None									
TOTAL	\$29,084,830	\$19,250,000	171,800	\$34,430,000	\$27,930,000	231,200	\$32,000,000	\$29,500,000	190,000

- I. New Construction
- 1. Library/Classroom Expansion/Renovation (Note 1)
- 2. University Center Expansion
- 3. General Classroom Building
- 4. Classroom Renovation/Expansion
- 5. Fitness Center Expansion -
Phases II and III
- 6. Student Residence and Dining Buildings
- 7. Parking Facilities
- 8. Physical Activities Center (PAC) Addition
- 9. Performing Arts Center
- II. Facilities Acquisition
- None
- III. Lease
- None
- TOTAL

(1) Library Expansion (\$23,200,000)*1.035*1.035 = \$1,624,000 - \$1,624,000 = \$23,228,420; Library Renovation (\$3,600,000)*1.035*1.035 = \$3,856,410; Roadway Relocation = \$2,000,000. Project Total: \$29,084,830
(2) Identify source of non-state (i.e. "other") funding: (a) Rental/Board Income. (b) Fees and Contributions, (c) Contributions