

MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

January 8, 2004

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The Board of Trustees of the University of Southern Indiana met in regular session on Thursday, January 8, 2004, at the New Harmony Inn and Conference Center in New Harmony, Indiana. Present were Chair J. David Huber and Trustees Bruce H. Baker, Louise S. Bruce, G. Patrick Hoehn, Tina M. Kern-Raibley, Thomas F. McKenna, Harolyn G. Torain, Samuel J. Tucker, and James L. Will, Sr. Also in attendance were President H. Ray Hoops; Provost and Vice President for Academic Affairs Linda L. M. Bennett; Vice President for Governmental Relations Cynthia S. Brinker; Vice President for Student Affairs Robert W. Parrent; Vice President for Business Affairs and Treasurer Robert W. Ruble; Vice President for Advancement Sherrienne M. Standley; Faculty Senate Chair Christy Baker; and Student Government Association President Troy Nethery.

There being a quorum present, Mr. Huber called the meeting to order at 2:15 p.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF NOVEMBER 10, 2003, MEETING

On a motion by Mrs. Kern-Raibley, seconded by Mr. Tucker, the minutes of the November 10, 2003, meeting of the Board of Trustees were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

Vice President Standley reported that the next regular meeting of the Board of Trustees was scheduled for Thursday, March 4, 2004, on campus. She noted that included in the Trustees' meeting packets was information about the annual meeting of the Association of Governing Boards, to be held in March. President Hoops encouraged the Trustees to attend the meeting this year.

C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

Chair Bruce Baker reported that the Long-Range Planning Committee met prior to the Board meeting on January 8 and heard a report presented by Assistant Vice President for Academic Affairs Charles Harrington about the USI Student Profile, including results of the Educational Testing Service Academic Profile and the Educational Testing Service Major Field Test. Dr. Harrington reported on improved USI student scores and favorable comparisons with similar institutions. Mr. Baker reported that three programs are in place to encourage diversity and increase retention among USI students. These programs are THREADS (Teaching Human Respect and Encouraging Action Diversity Series), Calling New Eagles (a program in which faculty contact new students by phone), and Project E-agle (Electronic Advice for a Great Learning Experience), a program which engages new students and parents through informative emails.

D. PRESIDENT'S REPORT

President Hoops began his report by expressing appreciation to the New Harmony staff for providing tours of the USI senior art students' show at the New Harmony Gallery of Contemporary Art and the Maximillian Bodmer exhibit earlier in the day. He called on Historic New Harmony director Connie Weinzapfel to give the Board an update on activities in New Harmony. Ms. Weinzapfel reported that Historic New Harmony will develop a new long-range plan this year in cooperation with the Indiana Department of Natural Resources and the New Harmony Memorial Commission. Topics to be included in the long-range plan are operations, financial stability, resource management, interpretative/educational planning, marketing and sales, and community involvement. At the request of the Blaffer Foundation, USI and the New Harmony staff have been exploring ways to expand educational opportunities in New Harmony for USI students. Plans are in place to bring a group of New Harmony citizens and a group of University faculty and staff together to share ideas and to formulate a plan.

President Hoops called on Vice President for Advancement Sherrienne Standley for a report on the USI Foundation's fund-raising results in December 2003. Mrs. Standley was pleased to report that a \$1 million proposal to The Lilly Endowment, Inc. was approved. The funded project will assist engineering students with internships and co-op assignments with regional employers and will provide seed money for a scholarship endowment. She also reported that The Lumina Foundation of Indianapolis recently awarded USI \$100,000 to assist in the development and implementation of the student retention project, Project E-agle.

She reminded the Board that during the past 18 months, USI Foundation staff and volunteers have worked to obtain matching funds for two initiatives of The Lilly Endowment, Inc. These initiatives were aimed at strengthening involvement and philanthropy among board members, alumni, families, employees at all Indiana colleges and universities. A year ago, the boards division closed its campaign after raising \$600,248. In 2003, the alumni, family, and employee campaign ended after raising the maximum \$3.5 million. As a result of the combined initiatives, USI will receive a \$4.1 million match from The Lilly Endowment, Inc. which will be placed in a permanent endowment, the Fund for Academic Excellence. Interest from the fund will provide annual support for academics. Vice President Standley expressed appreciation to The Lilly Endowment, Inc. for offering these generous initiatives and to the donors who made the matching gifts possible. President Hoops thanked Vice President Standley for her capable leadership and successful fund-raising efforts from *Campaign USI* through the current success of the Lilly and Lumina projects.

The president called on Troy Nethery, president of the Student Government Association, to report on recent SGA activities. Mr. Nethery announced that SGA recently sponsored a successful blood drive in cooperation with the Indiana Blood Center. He reported that the USI Bookstore and SGA sponsored a contest for students to design a logo to be used on apparel sold in the Bookstore, for which the winner received a \$250 grant from the Bookstore. Mr. Nethery will share the winning design at the March meeting of the Board of Trustees. He noted that SGA supports extended hours in the David L. Rice Library during finals week each semester and reported that last semester, the numbers of students who used the library during the extended hours increased significantly over previous years. He reported that he hosted the student representative on the Indiana Commission for Higher Education, Christopher Borkowski, when Mr. Borkowski visited the USI campus, and that SGA members will represent the University at USI Day at the Statehouse on January 28, 2004. He closed his remarks by reporting that SGA goals for the spring semester include increased communication between the organization and all departments on campus, increased student participation at campus events, and increased student awareness of the Student Government Association and how it represents them.

The president reported that at its meeting in December 2003, the Indiana Commission for Higher Education approved the University's request to proceed with the construction of the new parking structure adjacent to the University Center. It is anticipated that the State Budget Committee will give final approval for the project at its meeting in January. Dr. Hoops remarked that the garage will be a welcome addition to the campus and is needed to replace the surface lot that has served the University Center, but will be lost in construction of the new library.

He also reported that more than 150 people attended the House Ways and Means Committee public hearing on property tax assessment that was held on USI's campus in November. Legislators from throughout the state participated in the hearing, which was the final hearing prior to the beginning of the legislative session. He noted that the traditional one-day session in November lasted for three weeks as legislators dealt primarily with tax issues, and that the Indiana General Assembly reconvened for the beginning of the short session on January 6, 2004. He introduced Vice President Cindy Brinker to report on the details of this spring's legislative session.

Vice President Brinker reported that recent revenue reports show that state revenues are down 3 percent (\$153 million), and that the State Budget Committee will convene on January 12, 2004, to hear a revised revenue forecast. The forecast will be important regarding both current budgets and the budgets for 2004-2005.

She reported that anticipated bills for the session might include the issues of property taxes, creation of jobs, gaming, and K-12 education. Bills of special interest to USI include a bill that has been filed in the Senate concerning tuition rates for state universities. The bill requires that state higher education institutions may not increase tuition more than three percent per year for four years while a student is in college, and that tuition rates will be established in December of each year for the following academic year. The bill has been assigned

to the Senate Education Committee and is authored by Senator Luke Kenley, Chair of the Senate Education Committee. Another bill would allow the design and construction phases of a project to be done concurrently and may affect smaller construction projects at USI. A third bill that will affect the University would raise the dollar limits for projects that must be approved at the state level before institutions can proceed with them. Ms. Brinker noted that more bills will be filed and that she will report on them later. Vice President Brinker closed her report by inviting the Trustees to attend USI Day at the Statehouse on Wednesday, January 28, 2004. Students, alumni, and staff will be in attendance to meet legislators.

President Hoops called on Provost Linda Bennett, who introduced Dr. Eugene Klippel, dean of the School of Business, and asked Dean Klippel and Dr. Dan Wade, chair of the Accounting Department, to review current activities in the school. Dean Klippel presented an overview of the school's programs and enrollment trends. Dr. Wade shared a profile of the USI accounting faculty and students and a report on the successful placement of the department's 2002 graduates. He was pleased to report that the Accounting Department received a separate accreditation from the American Assembly of Collegiate Schools of Business (AACSB) and noted that USI is among only 12.5 percent of accredited Schools of Business which also have a separate accreditation for accounting. He discussed the work of the Accounting Circle, a group of accounting professionals in the Evansville area that works with accounting faculty and students. The Accounting Circle has given important assistance in the areas of curricular reform, student and faculty interaction, scholarship fund-raising, the Accountant in the Classroom Program, and opportunities for faculty internships within the accounting profession. The Accounting Circle also assists with student recruitment and opportunities for students to improve public speaking skills through involvement in the Toastmasters Club. Future departmental plans include the establishment of a chapter of Beta Alpha Psi, a national honor fraternity for accounting, finance, and systems students, the development of an accounting newsletter, and the continuation of the taxpayer outreach program, in which accounting students provide tax assistance to low-income taxpayers.

President Hoops called on Assistant Vice President for Academic Affairs Charles Harrington to report on two successful grant applications. Dr. Harrington reported that USI is one of ten institutions nationally that has been selected to participate in the Teaching, Learning, and Technology Group's Project BETA (Better Teaching through Assessment). Dr. Harrington explained that a result of participating in the project is that USI will be able to tie student learning outcomes to the evaluation of teaching. He also reported on the University's acceptance in the 21st Century Scholars Mentoring Program, which will provide subsidies to upper class 21st Century Scholar students who will serve as peer mentors for incoming freshman in the 21st Century Scholars program.

President Hoops reminded the Board that at its last meeting, several refinements were made to the University's health insurance plans in efforts to serve our employees while containing costs. He announced that many employees attended informational sessions and carefully evaluated their health care needs for 2004. As a result, the Human Resources Office reports that more than 200, or nearly 25 percent of eligible employees and retirees, made changes to their health insurance during the period of open enrollment in November.

President Hoops called on Provost Bennett to report on the successful search for the Dean of the School of Liberal Arts. Dr. Bennett was pleased to report that Dr. David Glassman, a forensic anthropologist who currently serves as associate dean of the College of Liberal Arts and chair of the Department of Anthropology at Texas State University, has accepted the position of Dean of the School of Liberal Arts. She noted that Dr. Glassman comes to USI with impressive credentials and was selected from a pool of strong candidates. She announced that Dr. Glassman will join the USI staff on July 1, 2004.

Dr. Hoops concluded his report by noting that the Trustees' packets included a copy of the *Southern Indiana Review* and the 2003 Financial Report prepared by the Office of Business Affairs.

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE COMMITTEE

The Finance/Audit Committee met prior to the Board of Trustees meeting on January 8, 2004. Chair Pat Hoehn reported that the committee approved budget appropriations, adjustments, and transfers and heard a report of the exit conference on the audit of federal funds with auditors of the State Board of Accounts. Mr. Hoehn and Trustee Jim Will attended the conference on behalf of the Finance/Audit Committee. Mr. Hoehn reported that the committee discussed the approval of the Code of Ethics, which will be presented in Item B.

B. APPROVAL OF CODE OF ETHICS

Chairman Huber called on Vice President Cindy Brinker to report on the Code of Ethics. She noted that the University of Southern Indiana Board of Trustees has chosen to voluntarily comply with the spirit of the Sarbanes-Oxley Act of 2002 by creating and developing a standard Code of Ethics for University administrators, faculty, and support staff. An ad hoc committee was formed to develop a Code of Ethics to guide University administrators, faculty, and support staff in setting and practicing high standards of ethical conduct. A draft of the code was shared with the constituent groups that will be affected by the policy, including the Academic Affairs Council, Faculty Senate, Staff Council, and Administrative Council. A copy of the resulting policy is attached as Exhibit II-A. The code will be communicated to staff through the University web site and the *University Handbook* and will be referenced as part of the rules and regulations for staff in appointment letters. She reported that a Code of Ethics for the Board of Trustees, another document of compliance with the spirit of the Sarbanes-Oxley Act, will be presented for approval at a future meeting.

Approval of the University of Southern Indiana Code of Ethics was recommended by the Finance/Audit Committee. On a motion by Mrs. Torain, seconded by Mrs. Kern-Raibley, the Code of Ethics in Exhibit II-A was approved.

C. APPROVAL OF REVISED RESOLUTION REGARDING BANK DEPOSITORIES AND WIRE TRANSFER AUTHORIZATIONS

Chair Huber called on Vice President Ruble to present the following resolution. Dr. Ruble explained that the resolution includes changes in the titles of officers who are authorized to make wire transfers. On a motion by Mrs. Kern-Raibley, seconded by Mrs. Torain, the following resolution 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 that FifthThird Bank, Old National Bank of Evansville, Integra Bank, Firststar Bank Milwaukee, and Bank One IN NA 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 Vice President for Governmental Relations, the Controller, the Assistant Controller, the Manager of Payroll, and the Manager of Accounting Services 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 by it in so acting after revocation or termination without such notice.

D. REPORT OF THE CONSTRUCTION COMMITTEE

The Construction Committee met prior to the Board of Trustees meeting on January 8, 2004. Chair Pat Hoehn reported that the committee heard a report on recent change orders on the Ruston Hall project.

E. UPDATE ON CURRENT CONSTRUCTION PROJECTS

The chair called on Vice President Ruble, who introduced Director of Facilities Operations and Planning Steve Helfrich to give a report on current construction projects. Mr. Helfrich reported that the Ruston Hall project is on schedule and will be complete in July 2004. He noted that the permit process for the construction of the lake is nearly complete and that the lake will be constructed during the summer of 2004.

The new David L. Rice Library construction is scheduled to begin during the summer months. Mr. Helfrich reported that the design process is nearly complete and that the architects will present the design documents to the Board at its March meeting.

Other projects scheduled for summer 2004, according to Mr. Helfrich, include the renovation of Forum II and completion of the green house in the Science and Education Center.

He reported that Professional Consultants, Inc. has presented preliminary designs for the parking garage and security offices.

Renovations in the food service area include an expansion of the Sub Connection in the University Center and the creation of Café a La Carte, a station for the purchase of sandwiches, soup, etc., in the link between the Health Professions Center and the Science Center.

Mr. Helfrich reported on plans for the expansion of Parking Lot E to the south and west of the existing lot to provide approximately 300 parking spaces in the area of Ruston Hall. This expansion will require the relocation of the varsity softball field to the Broadway Recreational Complex.

He reported on two claims from contractors on the Science and Education Center. A claim from Tri-State Sheet Metal has been resolved and a claim from Kite, Inc. will be resolved in arbitration.

F. DISCUSSION OF 2005-2015 TEN-YEAR CAPITAL IMPROVEMENT PLAN

Mr. Huber called on Vice President Brinker to discuss the Ten-Year Capital Improvement Plan for 2005-2015 in Exhibit II-B. Ms. Brinker discussed the plan and reported that it will be part of the 2005-2007 Capital Improvement Budget Request which will be submitted to the Indiana Commission for Higher Education in June 2004. Vice President Ruble discussed several items on the plan, including the General Classroom Building on the near-term schedule, which will provide space for the School of Business, provide classrooms for the use of all schools, and expand the HVAC capacity of the Physical Plant. The project also will provide funds to finish basement areas in the Education Center. Vice President Ruble noted that the Ten-Year Capital Improvement Plan is a planning document that will be brought to the Board for approval at a later date.

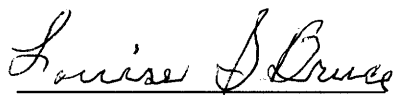
III. PERSONNEL MATTERS

A. OTHER BUSINESS

Chair Huber reported that in compliance with the Presidential Assessment Plan filed and approved by the Board of Trustees in January 1995, the formal presidential assessment has been completed. Interviews were conducted by the trustees with President Hoops' direct reports and with representatives of the Alumni Association, Faculty Senate, Staff Council, Student Government Association, USI Foundation Board of Directors, and five community leaders. He announced that President Hoops received a positive report from the Trustees, resulting in an extension of his contract to June 30, 2009. He thanked trustees Bruce Baker and Jim Will for serving with him on the assessment team which produced the final report, and offered to President Hoops the Board's appreciation for his efforts on behalf of the University.

There being no further business, the meeting adjourned at 3:35 p.m.

Respectfully submitted,


Louise S. Bruce, Secretary

UNIVERSITY OF SOUTHERN INDIANA CODE OF ETHICS

The conduct of University administrators, faculty, and support staff should be characterized by integrity. Each individual's personal and professional conduct reflects on one's institution, profession, and the higher education enterprise at large.

To guide University administrators, faculty, and support staff in setting and practicing high standards of ethical conduct, the University of Southern Indiana Board of Trustees has chosen to voluntarily comply with the spirit of the Sarbanes-Oxley Act of 2002 and has developed the following Code of Ethics. USI embraces the values expressed in the Code and advocates their observance by the members of the USI community. University administrators, faculty, and support staff should:

- Comply with applicable governmental laws, rules, and regulations;
- Act with competence and strive to advance competence, both in self and in others;
- Devote time, thought, and study to the duties and responsibilities of one's job and be able to render effective and creditable service;
- Understand the University's objectives and policies and contribute constructively to their ongoing evaluation and reformulation;
- Maintain the confidentiality of privileged information that infringes upon another's right to privacy and not disclose information to secure personal or financial gain;
- Complete the University's *Possible Conflict of Interest Disclosure Statement* to disclose any interest, financial or otherwise, direct or indirect, in any business, transaction, or professional activity which may be in substantial conflict with the proper discharge of one's duties;
- Refuse to accept any gift, favor, service, or other item of significant value from any person, group, private business, or public agency which may affect the impartial performance of one's duties; and
- Refuse to engage in actions that violate the ethical principles contained in this Code or provisions of law.

Prompt internal reporting of code violations should be reported through the appropriate departmental administrative personnel or to Human Resources and reviewed. Any issues pertaining to code violations would follow the same due process as currently outlined in the *University Handbook*.

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE C
TEN-YEAR CAPITAL IMPROVEMENT PLAN (BUILDINGS)
(all amounts expressed in 2005-07 dollars)

	NEAR-TERM 2005-07 Biennium			MEDIUM-TERM 2007-09 Biennium			LONG-TERM 2009-15 Biennium		
	Projected State Amount	Funding Other Sources (1)	Space Change A.S.F.	Projected State Amount	Funding Other Sources (1)	Space Change A.S.F.	Projected State Amount	Funding Other Sources (1)	Space Change A.S.F.
I. Special R & R									
1. Classroom Renovation/Expansion				\$29,000,000	650,000 c	70,000			
2. Student Residence Building Renovation/Replacement					8,000,000 a			\$8,000,000 a	
II. New Construction									
1. School of Business/General Classroom Bldg. and Physical Plant Expansion	\$29,800,000		98,800						
2. General Classroom Building		\$5,500,000 b	27,000		7,000,000 b	25,000	\$20,000,000		80,000
3. Fitness Center Expansion - Phases II and III		\$7,750,000 a	55,000		8,500,000 a	55,000		\$9,000,000 a	55,000
4. Student Residence Buildings		\$1,000,000 b			1,250,000 b			\$3,000,000 a	55,000
5. Student Residence Dining Facilities								\$7,000,000 b	
6. Parking Facilities				\$6,430,000	6,430,000 c	58,000	\$16,000,000		
7. Physical Activities Center (PAC) Addition									60,000
8. Performing Arts Center									
III. Facilities Acquisition									
(None)									
IV. Lease									
(None)									
TOTAL	\$29,800,000	\$14,250,000	180,800	\$35,430,000	\$31,830,000	208,000	\$36,000,000	\$34,000,000	220,000

(1) Identify source of non-state (i.e. "other") funding: (a) Rental/Board Income, (b) Fees and Contributions, (c) Contributions.