

MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

January 8, 2009

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The University of Southern Indiana Board of Trustees met in regular session on Thursday, January 8, 2009, at The Columbia Club in Indianapolis, Indiana. In attendance were Chair John M. Dunn and Trustees Ira G. Boots; W. Harold Calloway; Jamie L. Johnson '09; Jeffrey L. Knight; Amy MacDonell; Ronald D. Romain '73; Steven J. Schenck '72; and Ted C. Ziemer Jr. Also attending were President H. Ray Hoops; Provost and Vice President for Academic Affairs Linda L. M. Bennett; Vice President for Government and University Relations Cynthia S. Brinker; Vice President for Student Affairs Robert W. Parrent; Vice President for Business Affairs Mark Rozewski; Faculty Senate Chair Lesa Cagle; and Student Government Association President Amy Beard '09.

Mr. Dunn called the meeting to order at 9:45 a.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF NOVEMBER 6, 2008, MEETING

On a motion by Mr. Ziemer, seconded by Mr. Boots, the minutes of the November 6, 2008, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

Mr. Dunn called on Vice President Brinker, who announced the next meeting of the Board of Trustees is scheduled for Thursday, March 5, 2009, on campus, beginning at 8:30 a.m.

C. PRESIDENT'S REPORT

President Hoops reported that 273 students participated in the third Fall Commencement exercises in December. To accommodate an increasing number of graduates and their families, two ceremonies were scheduled in the Physical Activities Center. Dr. Sherry Darrell, the 2008 Integra Distinguished Professor, delivered the Commencement address at both ceremonies. Dr. Hoops thanked the members of the Board of Trustees who were able to attend these events.

The University hosted local officeholders and elected officials at a reception in the McCutchan Art Center in early December. President Hoops noted the event was well attended by many elected officials and their guests, and as one of the first public events in the McCutchan Art Center/Pace Galleries, it provided an excellent opportunity for them to see this addition to the USI campus.

Dr. Hoops was pleased to report the University learned recently it is one of 119 public and private colleges and universities nationwide to receive classification from the Carnegie Foundation for the Advancement of Teaching as an institution of community engagement. He called on Provost Bennett to explain this distinction. Dr. Bennett reported that in 2006, the Carnegie Foundation established a new elective classification to encourage colleges and universities to document the extent of their engagement with their communities. There was growing concern that Americans saw a college education as a private benefit rather than a public good. Documenting engagement with their communities was a way to establish that institutions of higher education are essential public partners in local, state, and national development.

Dr. Bennett described the application process and reported that in December 2008, USI received classification as an institution of community engagement. She reported the University's application can be viewed at www.usi.edu/ir/CarnegieClassification.asp. The classification has two categories. One is focused on curricular engagement, wherein an institution can document that involvement in the community is integrated in the learning process. The other requires documentation of partnerships in the region. USI applied for and received recognition for both curricular and community engagement. Dr. Bennett told the

Trustees the combined recognition provides tangible evidence that USI lives its mission to be responsive to regional needs, allows national recognition of the institution's values, and provides evidence for regional accreditation of the University.

Dr. Bennett reported the process provided guidance for how to improve what USI has already accomplished. Three areas identified for improvement are:

- Better assessment of student learning and community projects;
- Better monitoring of community partnerships; and
- Continued work to align the institution's award structure for faculty to participate in community engagement.

Dr. Bennett concluded her remarks with a quote from the letter of notification received from the Carnegie Foundation. The reviewers wrote, "Your application documented excellent alignment among mission, culture, leadership, resources, and practices that support dynamic and noteworthy community engagement, as well as exemplary institutionalized practices of community engagement."

A special event involving New Harmony will take place in March at the Smithsonian Institution in Washington, DC, and Dr. Hoops asked Connie Weinzapfel, director of Historic New Harmony, for a report. Ms. Weinzapfel reported that on March 10, 2009, the USI/New Harmony Foundation and the Indiana Society of Washington, DC, will join the Smithsonian Institution to present a symposium and lecture examining the influence of Robert Dale Owen on the creation of the Smithsonian, a panel discussion, a private tour of the Smithsonian Castle, and a reception. Jane Blaffer Owen of New Harmony will be honored, along with Patricia Stonesifer of Indianapolis, who is the Chair of the Board of Regents of the Smithsonian Institution. Ms. Weinzapfel invited the Trustees to attend the event and will provide information about travel and other arrangements.

President Hoops called on Professor Lesa Cagle, chair of the Faculty Senate, who reported the Senate recently amended the Bylaws of the Constitution of the Faculty. Article III Section 1 was amended by adding the underlined sentence below:

ARTICLE III: Review and Interpretation of Authority
Section 1. Exercise of the Powers of Review and Interpretation

The power of review and interpretation will be exercised by the faculty committees and, as a board of appeal, by the Faculty Senate. Each committee will exercise the power of review and interpretation in the area for which it is responsible. In instances wherein information is needed, the chair of Faculty Senate should consult with the Provost and Vice President for Academic Affairs.

Professor Cagle further reported that 22 charges recommended by faculty were sent to Faculty Senate Committees. A list of the charges was provided in the Trustees' meeting materials. She concluded by reporting that the Faculty Senate urges the Board of Trustees of the University of Southern Indiana to follow the recommendation of the president, the Faculty Senate Economic Benefits Committee, and the Faculty Senate to place the domestic partner benefit back on the agenda and vote in its favor.

Dr. Hoops asked Amy Beard, president of the Student Government Association, to share a report with the Board. Ms. Beard reported that Dr. Antonina Bambina, director of the Honors Program, spoke to SGA about the program at a recent meeting. Dr. Brian Posler, representing Academic Affairs, invited SGA to share student perspectives about a possible change in scheduling spring Commencement Exercises. SGA helped with an event to promote RAVE (an emergency texting service) and will continue this promotion throughout the semester. SGA will participate in the annual Martin Luther King, Jr. memorial luncheon in January. Ms. Beard reported on plans for future meetings, including a "Meet the Dean" event, a construction Town Hall, an election Town Hall, and a speak out with the academic deans and the provost.

The president asked Vice President Rob Parrent to share information about the annual Martin Luther King Jr. memorial luncheon. Dr. Parrent reported that John Carlos, a 1968 Olympics bronze medalist and 2009 recipient of the Arthur Ashe Award for Courage, will be the featured speaker. Students will have an opportunity to meet with Mr. Carlos following his presentation on January 19, 2009. Dr. Parrent encouraged the Trustees to attend the event if possible.

Dr. Hoops noted that the Finance/Audit Committee, at its meeting in October 2008, reviewed the audited financial statements for 2008. He referred the Trustees to a copy of the final report in their meeting packets.

President Hoops called on Mr. Dunn, chair of the Presidential Search and Screen Committee, for a report from the Committee. On behalf of the USI Presidential Search and Screen Committee, Mr. Dunn was pleased to report that three finalists will be interviewed on campus during the month of January 2009:

- Dr. Linda Bennett, USI Provost and Vice President for Academic Affairs, who will interview on January 29-30;
- Dr. Robert Parrent, USI Vice President for Student Affairs, who will interview on January 20-21; and
- Dr. Timothy Todd, Dean of the College of Business and Public Affairs at Murray State University, who will interview on January 26-27.

Mr. Dunn reported the Search and Screen process has been excellent with each of the 19 members of the committee engaged in bringing the University to this final phase of the search. The University community is indebted to the members of the Search and Screen Committee for their careful and intentional work to match the talents and experiences of the applicants with the *Statement of Leadership Qualities Desired in the Next President*, adopted in May 2008 by the Trustees. The Search and Screen Committee reviewed all applications, assessed the qualifications of the applicants, and interviewed a group of semifinalists, narrowing the group (as required by the Trustees) to no more than five finalists.

He thanked the trustees who served on the Search and Screen Committee -- Harold Calloway, Jamie Johnson, Jeff Knight, Amy MacDonell, and Ted Ziemer. He invited the full Board of Trustees' involvement in the final interviews and extended an invitation to the University and the community to participate as fully as possible.

Mr. Dunn asked Search Coordinator Sherrienne Standley to report on the next steps in the process. Ms. Standley reported that following the Board of Trustees meeting, a news release will be issued to the media, and the names, backgrounds, photographs, and interview schedules will be posted on the presidential search web page of the USI web site. Included in the schedules are interviews with constituent groups including faculty, staff, students, and community.

There will be a public session with each candidate to which the entire University and the community are invited. Video streaming on the web for the public sessions has been arranged for the convenience of those who cannot attend in person. Ms. Standley reported that the Trustees are inviting wide comment on the finalists by posting an evaluation instrument online which can be printed out and sent to the Search office, giving the trustees further information on perspectives of the various constituencies.

She noted she is prepared to assist the Trustees with any information needed to make a final decision and thanked them for their exemplary cooperation to date.

D. REPORT ON THE INDIANA GENERAL ASSEMBLY

Mr. Dunn called on Vice President Brinker for a report on the Indiana General Assembly. Ms. Brinker referred the Trustees to Exhibits I-A and I-B, copies of which are appended to the file copy of these minutes. She reviewed Exhibit I-B, a comparison of the University's operating and capital budget requests and the recommendations of the Commission for Higher Education to the State Budget Committee in November. She noted the importance of reviewing this initial recommendation because many of the categories for funding recommended by the Commission are included in the Governor's budget.

A priority of the Commission was to make recommendations using several formula-driven outcomes-based performance incentives. To fund these incentives, it was necessary to make across-the-board operating budget reductions to meet the desired funding recommendations. The Commission's targeted increase for higher education was 1 percent in the first year of the biennium and 1.8 percent in the second year of the biennium.

Vice President Brinker reviewed the following funding incentives included in the Commission's (CHE) 2009-2011 operating budget recommendation:

Enrollment Change/Course Completion

- USI requested funding of \$542,500
- No recommendation was made by the Commission for this incentive

Degree Completion – an incentive to encourage all campuses to increase the total number of college graduates

- USI requested \$486,000 in funding at \$4,000 per degree
- CHE recommended \$303,750 in the first year of the biennium and \$607,500 the second year of the biennium at \$5,000 per degree

On-Time Degree Completion – an incentive to increase on-time degree completion on all campuses

- USI requested \$358,835 in funding at \$5,000 for change in number of degrees
- CHE recommended \$181,727 in the first year of the biennium and \$363,453 the second year of the biennium at \$5,000 per degree

Low Income Degree Completion – a new incentive for increase in number of degrees awarded to Pell Grant recipients

- Incentive provided \$50,000 in year one and \$100,000 in year two

Two-Year Transfer – in the 2007-2009 biennium, this incentive only applied to the two-year institutions

- CHE recommended the incentive apply to the increase in the number of transfers received by the four-year institutions
- Incentive provided \$208,498 in year one and \$416,996 in year two

Research Support – only applies to IU and Purdue

Economic Development – non-credit instruction; only applies to IVTC and VU

Ms. Brinker noted all of the recommendations made by the Commission recommended funding at 50 percent of the formulas in year one and 100 percent in year two.

She reviewed the following comparisons of the University's request and the Commission's recommendation:

Appropriation/Equity Adjustment

- USI requested \$2,000,000 in year one of the biennium and \$1,000,000 in year two of the biennium
- CHE did not make a recommendation to fund the University's request for an appropriation/equity adjustment

Across-the-Board Appropriation Reduction

- In order to generate the dollars needed to fund the various incentives and to stay within the CHE's desired recommendation of a 1 percent increase in year one and a 1.8 percent increase in year two, an across-the-board appropriation reduction of 1.15 percent was applied to the fiscal year 2009 base and a 3.54 percent reduction was applied to the fiscal year 2010 base
- Across-the-board reductions were made and then the formulas were applied
- Increases varied by campus based on the impact of the funding formulas

Maintenance for Current Programs and Quality Improvement

- USI requested funding for two quality improvement initiatives, but did not request funding for price inflation based on the budget instructions
- CHE did not recommend funding for price inflation or new quality improvement initiatives

The recommendation of the Commission resulted in a .7 percent increase in operating appropriations in 2009-2010 and a .1 percent increase in 2010-2011.

Vice President Brinker reviewed the following categories in the Capital Improvement Budget:

Repair and Rehabilitation Funding

- CHE recommended funding the repair and rehabilitation (R&R) formula at the same level it was funded in fiscal year 2009 and in the first year of the biennium and at 50 percent of the 2009-2011 funding formula in the second year of the biennium
- The CHE recommendation would generate about \$1.3 million over the biennium

Capital Budget

- CHE only recommended three new capital projects
- USI's capital request was not included in the recommendation

Historic New Harmony

- CHE did not recommend any increase in funding for Historic New Harmony

Ms. Brinker reported that in December 2008, the University was notified by the State Budget Committee through the Governor's Office that 1 percent (or about \$450,000) of the University's fiscal year 2009 operating appropriation would be withheld, and funding through the R&R formula would not be distributed (approximately \$580,000).

She reported the State Budget Agency will present the Governor's Budget to the State Budget Committee today, January 8. She and other University representatives recently met with staff of the State Budget Agency to review the recommendations for higher education that will be included in the Governor's budget. She reported the Governor's budget is anticipated to assume a 4 percent reduction in the operating appropriations for higher education. The incentive formulas are funded at 25 percent which results in a 3.3 percent decrease for USI in year one (-\$1,311,320). In year two, there is an additional 2.5 percent across-the-board reduction and the formulas are funded at 50 percent, which results in a .6 percent decrease in year two (-\$234,433). The Governor's budget does not include funding for any capital projects. There is a 4 percent reduction in the operating budget for Historic New Harmony in year one of the biennium.

Vice President Brinker concluded her report by noting she will follow all bills which could impact higher education and will update the Trustees throughout the legislative session.

E. APPROVAL OF CONFLICT OF INTEREST STATEMENTS

Mr. Dunn called on Vice President Rozewski to review the Conflict of Interest Statements in Exhibit I-C. A copy of Exhibit II-C is appended to the file copy of these minutes. Mr. Rozewski recommended approval of the statements provided by University trustees and staff. He noted that following approval, the Possible Conflict of Interest Disclosure Statements filed for 2009 will be forwarded to the State Board of Accounts. On a motion by Mr. Knight, seconded by Mr. Calloway, the Possible Conflict of Interest Disclosures in Exhibit I-C were approved. A copy of Exhibit I-C is appended to the file copy of these minutes.

SECTION II – FINANCIAL MATTERS

A. APPROVAL OF RESOLUTIONS AUTHORIZING SERIES J BONDS

Mr. Dunn called on Vice President Rozewski to review a recommendation to approve the *Resolutions of the University of Southern Indiana Board of Trustees Authorizing Series J Bonds* in Exhibit II-A. Mr. Rozewski reviewed a series of resolutions, passed by the Board of Trustees in previous meetings, attendant to the process of borrowing \$50,350,000 for the Business and Engineering Center and University Center projects. He reported that credit ratings were sought from both Moody's and Standard and Poor's to enhance the University's competitiveness in a troubled credit market. Moody's, which has given the University a rating of "A2" in the past, is expected to reaffirm that rating this year. Mr. Rozewski was pleased to report that USI will receive an "A" rating from Standard and Poor's, the University's first rating from that agency.

Vice President Rozewski reported the plan, subject to market considerations, is to price and award the issue on January 27, 2009, and to close on February 11, 2009.

On a motion by Mr. Schenck, seconded by Mr. Knight, the *Resolutions of the University of Southern Indiana Board of Trustees Authorizing Series J Bonds* in Exhibit II-A were approved. A copy of Exhibit II-A is appended to the file copy of these minutes.

B. REPORT ON CURRENT CONSTRUCTION PROJECTS

Mr. Dunn called on Vice President Rozewski who introduced Director of Facilities Operations and Planning Steve Helfrich. Mr. Helfrich began with a report on the Business and Engineering Center Project for which the footings and most of the foundation walls have been poured and structural steel columns are being erected. Other continuing work related to the project includes construction of a utility tunnel to connect the new building with the central heating and cooling plant, installation of the heating and cooling piping in the tunnels, and installation of underground utilities on the lower level of the building. The building is scheduled to be completed during summer 2010.

Mr. Helfrich reported the Recreation and Fitness Center Expansion Project is approximately 60 percent complete. The roofing system and the exterior glass glazing systems are installed. Most of the drywall has been installed and finished on the upper level and the masonry walls on the lower level have been constructed. Painting on the upper level is in progress and conduit, piping, wiring, and ductwork is being installed. The project is scheduled for completion in May 2009. Modifications to the existing building will be made during the summer months.

The Support Services Building Project is nearly complete and University departments are moving into the facility. The maintenance department is now working from the building and in the next few weeks, Procurement and Risk Management Department and Distribution Services Department will move to the facility.

The Ceramics Center Project is nearing completion. Ceramics equipment and supplies have been moved from the old building and classes will meet in the new Center at the beginning of the spring semester. The old Ceramics Center will be demolished to make room for the Business and Engineering Center construction.

The design of the Campus Entrance and Loop Road Project (Phase I) is complete and the plans have been sent to the Indiana Department of Transportation (INDOT) to be reviewed and scheduled for bid. INDOT is scheduled to receive construction bids in March and the University will begin construction immediately after the semester ends in May. Mr. Helfrich noted the schedule calls for the roundabout at the campus entrance to be substantially complete and open to traffic when the fall semester begins at the end of August. A plan is in place to maintain traffic flow on campus when the construction process disrupts the normal flow of traffic.

The design for the Central Heating and Cooling Plant Expansion Project is complete and construction bids have been received. This project includes expanding the central heating and cooling plant building; installing a boiler, chiller, piping, pumps and associated equipment to heat and cool the Business and Engineering Center; enlarging the existing parking lot; and installing landscape improvements around the building. The schedule for this project calls for completion of the work in spring 2009.

The addition of parking spaces is another project in the design phase. With the construction of the new campus entrance project, approximately 200 parking spaces will be lost. Plans are to construct a new lot in the valley located to the east of the Physical Activities Center and add spaces in Parking Lot E and at Ruston Hall before the fall semester begins. Construction of the new valley parking lot will require the relocation of the practice soccer field to the Broadway Recreation Complex.

Construction documents for the University Center Expansion Project are being finalized in anticipation of a bid date in February. Construction is scheduled to begin in March after the Board of Trustees reviews and approves the construction bids.

Mr. Romain asked about the design of the University Center tower. Mr. Helfrich reviewed the final design and noted the height of the tower will be approximately 97 feet.

A Summary of Current Construction Projects, including costs and funding sources, was included in the Trustees' meeting packets.

SECTION III – PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

Mr. Dunn called on Provost Bennett to review recommendations for approval of retirements and conferrals of emeritus status. On a motion by Mr. Ziemer, seconded by Ms. Johnson, the following personnel actions were approved.

1. Retirement

Professor of Biology Jeanne K. Barnett, in accordance with the early retirement policy, has requested retirement effective July 1, 2011, including one-half assignment during the 2010-2011 academic year. Severance pay based on 22 years of service to the University will be paid as of June 30, 2011.

Assistant Dean of College of Business and Assistant Professor of Computer Information Systems William C. Henderson, in accordance with the early retirement policy, has requested retirement effective January 1, 2011, including leave with pay for the period August 23, 2010, through December 18, 2010. Severance pay based on 27.5 years of service to the University will be paid as of January 31, 2011.

Vice Provost for Outreach and Dean of Extended Services M. Edward Jones, in accordance with the revised retirement policy, has requested retirement effective July 1, 2010, including leave with pay for the period January 1, 2010, through June 30, 2010. Severance pay based on 35 years and 11 months of service to the University will be paid as of June 30, 2010.

Instructor in Mathematics Judith L. Townsend, in accordance with the regular retirement policy, has requested retirement effective July 1, 2009.

2. Emeritus Status

Professor Emerita of Biology Jeanne K. Barnett,
22 years at USI, effective July 1, 2011.

Assistant Dean Emeritus of College of Business and Assistant Professor Emeritus of Computer Information Systems William C. Henderson,
27.5 years at USI, effective January 1, 2011.

Vice Provost Emeritus for Outreach and Dean Emeritus of Extended Services M. Edward Jones,
35 years and 11 months at USI, effective July 1, 2010.

Instructor Emerita in Mathematics Judith L. Townsend,
11 years at USI, effective July 1, 2009.

There being no further business, the meeting adjourned at 10:35 a.m.

Respectfully submitted,

Amy MacDonell
Secretary

**EXHIBIT I-A
UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2009-2011
OPERATING BUDGET REQUEST SUMMARY/COMPARISON**

	2009-10		2010-11	
	Request	Commission for Higher Education Recommendation	Request	Commission for Higher Education Recommendation
<u>EXPENDITURES</u>				
Expenditure Base	80,832,843	80,832,843	85,420,178	81,112,363
Base Adjustments				
A. Enrollment Change	542,500	0	0	0
B. Degree Completion	486,000	303,750	0	607,500
C. On-Time Degree Completion	358,835	181,727	0	363,453
D. Low Income Degree Completion	0	50,000	0	100,000
E. Two-Year Transfer Incentive	0	208,498	0	416,996
F. Across the Board Appropriation Reduction	0	(464,455) a		(1,439,610) a
G. Appropriation Adjustment	2,000,000	0	1,000,000	0
Subtotal Base Adjustments	3,387,335	279,520	1,000,000	48,339
Debt Service	923,616	923,616	(360,950)	(360,950)
Reallocation of Student Fees	(923,616)	(923,616)	360,950	360,950
Subtotal Debt Service	0	0	0	0
Total Expenditure Base	84,220,178	81,112,363	86,420,178	81,160,702
Percent Change	4.2%	0.3%	1.2%	0.1%
Maintenance for Current Programs				
A. Personal Services	0	0	0	0
B. Supplies & Expense	0	0	0	0
C. Student Aid	0	0	0	0
Subtotal Maintenance for Current Programs	0 b	0	0 b	0
Quality Improvement				
A. STEM Teaching Improvement Institute	700,000	0	700,000	0
B. ADAPT - Affordable Degree Attainment	500,000	0	500,000	0
Subtotal Quality Improvement	1,200,000	0	1,200,000	0
Total Budget Increases	4,587,335	279,520	2,200,000	48,339
Total Expenditure Request	85,420,178	81,112,363	87,620,178	81,160,702
Percent Change	5.7%	0.3%	2.6%	0.1%
<u>REVENUE</u>				
Student Fee Base	29,448,561	29,448,561	28,524,945	28,524,945
Fee Increase	0 c	0	0 c	0
Transfer to Debt Service	(923,616)	(923,616)	360,950	360,950
Total Student Fees	28,524,945	28,524,945	28,885,895	28,885,895
Operating Appropriation Base	40,387,429	40,387,429	44,974,764	40,666,949
Appropriation Increase	4,587,335	279,520	2,200,000	48,339
Total Operating Appropriation	44,974,764	40,666,949	47,174,764	40,715,288
Percent Change	11.4%	0.7%	4.9%	0.1%
Fee Replacement Appropriation Base	10,996,853	10,996,853	11,920,469	11,920,469
Fee Replacement Change	923,616	923,616	(360,950)	(360,950)
Total Fee Replacement Appropriation	11,920,469	11,920,469	11,559,519	11,559,519
Total State Appropriation	56,895,233	52,587,418	58,734,283	52,274,807
Percent Change	10.7%	2.3%	3.2%	-0.6%
Total Revenue Request	85,420,178	81,112,363	87,620,178	81,160,702

a 1.15% of FY09 Operating Appropriation Base and 3.54% of FY10 Operating Appropriation Base

b 0% increase on Expenditure Base per instructions

c 0% increase on Gross Student Fee Base per instructions

EXHIBIT I-B
UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2009-2011
COMPARISON OF REQUEST FOR BUDGET INCREASES
WITH INDIANA COMMISSION FOR HIGHER EDUCATION

	2009-10		2010-11	
	Request	Commission for Higher Education Recommendation	Request	Commission for Higher Education Recommendation
OPERATING BUDGET				
Base Adjustments				
Enrollment Change	542,500	0	0	0
Degree Completion	486,000	303,750	0	607,500
On-Time Degree Completion	358,835	181,727	0	363,453
Low Income Degree Completion	0	50,000	0	100,000
Two-Year Transfer Incentive	0	208,498	0	416,996
Across the Board Appropriation Reduction	0	(464,455) a	0	(1,439,610) a
Appropriation Adjustment	2,000,000	0	1,000,000	0
Maintenance for Current Programs				
Personal Services	0 b	0	0 b	0
Supplies & Expense	0 b	0	0 b	0
Student Aid	0 b	0	0 b	0
Quality Improvement				
STEM Teaching Improvement Institute	700,000	0	700,000	0
ADAPT - Affordable Degree Attainment	500,000	0	500,000	0
Total	4,587,335	279,520	2,200,000	48,339

	Request	Commission for Higher Education Recommendation		
	2009-11	2009-10	2010-11	Total
CAPITAL BUDGET				
R&R AND TECHNOLOGY				
General R&R	1,277,190	319,298 *	454,443 **	773,741
Infrastructure	966,660	241,665 *	344,227 **	585,892
Total	2,243,850	560,963	798,670	1,359,633

* FY09 funding level

** 50% of the 2009-11 annual formula amount

	Request	Commission for Higher Education Recommendation	
	2009-11	2009-11	Comments
CAPITAL BUDGET			
FACILITIES			
Teaching Theatre - Replacement Project			
State Funding Bonding Authorization	8,000,000	0	
Non-State Funding Authorization	7,000,000	0	
Total	15,000,000	0	

	Request	Commission for Higher Education Recommendation		
	2009-11	2009-10	2010-11	Total
LINE ITEM INITIATIVES				
Historic New Harmony	76,764	0	0	0

a 1.15% of FY09 Operating Appropriation Base and 3.54% of FY10 Operating Appropriation Base

b 0% increase on Expenditure Base per instructions

Exhibit I-C

Approval of the Possible Conflict of Interest Disclosure Statements below is recommended.

In 1983, the Indiana General Assembly enacted amendments to the Indiana "conflicts of interest" law, which provides that "The public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from a contract or purchase connected with an action by the government entity that he serves, commits a conflict of interest, a Class D felony."

I.C. 35-41-1-2 defines "public servant" as a person who (1) is authorized to perform any official function on behalf of, and is paid by, a governmental agency; or (2) is elected or appointed to office to discharge a public duty for a governmental entity.

The 1983 amendment provides a method by which public servants can avoid the criminal aspects of the conflicts of interest law by filing a disclosure statement with the Board of Trustees. The Board of Trustees must approve such disclosures, after which they will be forwarded to the State Board of Accounts.

In December 2008, for calendar year 2009, the University requested statements of all trustees and senior staff, including those with no potential conflicts of interest to disclose, and reminded all University employees of their obligation to submit a statement if required. A list of individuals who have submitted a Possible Conflict of Interest Disclosure Statement for calendar year 2009 is listed below.

Possible Conflict of Interest Disclosure Statements Filed for 2009

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
12-11-08	Janel S. Allen Assistant to the President	Safety Management Corporation	Spouse is owner
12-02-08	Linda L.M. Bennett Provost and Vice President for Academic Affairs	None	N/A
12-15-08	Ira G. Boots Trustee	Berry Plastics Deaconess Hospital	Chairman & CEO Board of Directors
12-15-08	David A. Bower Director of Development	None	N/a
12-09-08	Cynthia S. Brinker Vice President for Government and University Relations	None	N/A
12-04-08	W. Harold Calloway Trustee	None	N/A
12-03-08	Nadine A. Coudret Dean – College of Nursing & Health Professions	None	N/A

NAME/ DATE	VENDOR/ TITLE	DESCRIPTION OF CONTRACTOR	FINANCIAL INTEREST
12-02-08	John Deem Associate Vice President for Student Affairs	Cabinets & Counters Keller Schroeder Bristol Myers	Son is part owner Son is employee Daughter-in-law is employee
11-13-08	John M. Dunn Trustee	Dunn Hospitality Group ONB (Old National) Community Bank Evansville Commerce Bank St. Mary's Health System Welborn Foundation WNIN	Majority Stockholder Director Spouse is Director Director Director Director
12-08-08	Julie H. Edmister Dean – College of Education and Human Services	None	N/A
12-02-08	David Glassman Dean – College of Liberal Arts	None	N/A
12-04-08	Scott Gordon Dean – College of Science and Engineering	None	N/A
12-11-08	Jon Mark Hall Director of Athletics	None	N/A
12-05-08	H. Ray Hoops President	Integra Bank Corporation Deaconess Hospital, Inc. Deaconess Health System, Inc. Eastern Illinois University Foundation	Director (compensated) Director (compensated) Director Member
12-04-08	Mary A. Hupfer Assistant Vice President for Business Affairs and Foundation Fiscal Officer	None	N/A
12-06-08	Jamie L. Johnson Student Trustee	None	N/A
12-02-08	M. Edward Jones Associate Provost of Academic Affairs and Dean of Extended Services	None	N/A
12-02-08	Mohammed Khayum Dean – College of Business	None	N/A
12-04-08	Jeffrey L. Knight Trustee	Old National Bank	Stockholder & Executive Management
12-04-08	Amy MacDonell Trustee	None	N/A
12-02-08	Robert S. Parrent Vice President for Student Affairs	Fifth/Third Bank	Wife employed in trust dept.

NAME/ DATE	VENDOR/ TITLE	DESCRIPTION OF CONTRACTOR	FINANCIAL INTEREST
12-03-08	Brian Posler Assistant Provost for Undergraduate Studies	None	N/A
12-07-08	Ronald D. Romain Trustee	Bank of Evansville Romain Buick, Inc.	Shareholder Shareholder
12-01-08	Mark Rozewski Vice President for Business Affairs and Treasurer	Veasey Parrott Durkin & Shoulders	Wife is employee
12-09-08	Steven J. Schenck Trustee	Merrill Lynch	Financial Advisor
12-04-08	Ted C. Ziemer, Jr. Trustee	None	N/A

Exhibit II-A

Approval of the following resolutions is recommended.

RESOLUTIONS OF THE
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES
AUTHORIZING SERIES J BONDS

WHEREAS, the Board of Trustees (the “Board”) of the University of Southern Indiana (the “University”) has determined that a necessity exists to consider financing the acquisition, construction, expansion, renovation, rehabilitation and/or equipping of various facilities on the University’s Evansville campus, as described in Exhibit A, as well as related site preparation and other improvements and renovations (collectively, the “Projects”); and

WHEREAS, the Board of Trustees (the “Board”) of the University of Southern Indiana (the “University”) has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 21-34-6 through 10, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville campus; and

WHEREAS, the University has heretofore executed and delivered to The Merchants National Bank of Terre Haute, as succeeded by Old National Trust Company, as Trustee (the “Trustee”), a certain Trust Indenture dated as of November 1, 1985 (the “Indenture”), for the purpose of securing its Student Fee Bonds issued from time to time thereunder; and

WHEREAS, Article IV of the Indenture authorizes the issuance of additional series of Bonds by the University and the authentication and delivery of those additional series of Bonds by the Trustee under the conditions set forth in Article IV, which conditions have been complied with so as to authorize the issuance, authentication and delivery of those Bonds by the Trustee under the conditions set forth in Article IV, to provide the funds required to finance and refinance any promissory note previously issued for the construction of such facilities and related site preparation of the Projects and to refund all or a portion of the Prior Bonds; and

WHEREAS, the Treasurer has investigated, developed, evaluated and presented a plan of financing to the Board (the “Plan of Financing”); and

WHEREAS, the Board desires to approve the Plan of Financing presented by the Treasurer; and

WHEREAS, there has now been submitted to the Board a form of Eighth Supplemental Indenture (the “Eighth Supplemental Indenture”), a form of Preliminary Official Statement (the “Official Statement”), a form of Bond Purchase Agreement (the “Bond Purchase Agreement”), a form of Construction and Rebate Agreement (the “Construction and Rebate Agreement”), and a form of Supplement to Continuing Disclosure Undertaking Agreement (the “Undertaking Agreement”) in connection with the issuance of the Bonds in an aggregate principal amount not to exceed the sum of (i) \$50,350,000 for the financing and refinancing of the Projects, plus

(ii) certain additional costs and discounts and funding requirements, which financing and refunding have been approved by the State Budget Agency of the State of Indiana;

NOW, THEREFORE, BE IT RESOLVED by this Board as follows:

1. The Plan of Financing is hereby approved with respect to the Projects. Also, the use of bond insurance is hereby approved, if financially advantageous in the judgment of the Treasurer or Assistant Treasurer.

2. The issuance of the Bonds by the University on the terms and conditions set forth in the Eighth Supplemental Indenture is hereby authorized in the total principal amount not to exceed the sum of (i) \$50,350,000 for the financing and refinancing of the Projects, plus (ii) underwriter's discount, as described below, original issue discount, as permitted by law, costs of issuance, and costs of any premium for bond insurance. The Bonds shall be designated "University of Southern Indiana Student Fee Bonds, Series J" (the "Bonds"). The true interest cost of the Bonds shall not exceed 7%, with a maximum underwriter's discount of 1% and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Bonds shall not extend beyond **[October 1, 2029]**. The Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to PNC Capital Markets LLC, as underwriter, on its own behalf and as representative of other underwriters.

3. The Eighth Supplemental Indenture is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver, and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Eighth Supplemental Indenture in substantially the form presented to this meeting, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

4. The Official Statement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein and the prior distribution and use of the Official Statement is hereby ratified and confirmed. The Treasurer and Assistant Treasurer of the University are each hereby authorized and directed to make those changes in form or substance as are necessary or appropriate, and to deem an Official Statement to be final or nearly final for purposes of applicable Securities and Exchange Commission rules, to execute and deliver the form of any final Official Statement with those changes in form or substance that the Treasurer or Assistant Treasurer shall approve, and to cause printed copies of the final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Bonds, and any such prior actions are hereby ratified and confirmed.

5. The Bond Purchase Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the officers executing that

document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

6. The Construction and Rebate Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Construction and Rebate Agreement in substantially the form submitted to the Board, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

7. The Undertaking Agreement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the Undertaking Agreement in substantially the form presented to the Board, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

8. The Treasurer or Assistant Treasurer are each hereby authorized to prepare the bond forms, as approved by the Board, in accordance with the Board Resolution, required for use in the issuance of the Bonds, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Eighth Supplemental Indenture and the Indenture. Upon execution of the Bonds, the Treasurer or Assistant Treasurer shall deliver the Bonds to the Trustee for authentication, and upon their authentication, the Treasurer or Assistant Treasurer is authorized and directed to deliver the Bonds, upon payment of the purchase price, to The Depository Trust Company, New York, New York ("DTC"), on behalf of the purchasers thereof, which purchase price shall reflect the underwriter's discount permitted by this Resolution and original issue discount or premium, if any, as permitted by law.

9. The Chairman, Vice Chairman, Treasurer or Assistant Treasurer, Secretary and Assistant Secretary of the University are, and each of them is, hereby authorized and directed to do any and all further acts and things necessary underlying execution and delivery of such additional or supporting agreements, documents or certificates (including a DTC Letter of Representations, any swap agreement in connection with the Bonds, and any agreement associated with obtaining bond insurance, if appropriate) as may be requested or necessary in order to complete the transaction contemplated by the Bond Purchase Agreement, the Eighth Supplemental Indenture, the Construction and Rebate Agreement, the Undertaking Agreement and the Official Statement hereby authorized.

Dated this 8th day of January, 2009.

EXHIBIT A

PROJECT DESCRIPTION

Business and Engineering Center – Construction of a new academic building which will house the College of Business as well as selected engineering and general classrooms/laboratories. The Business and Engineering Center will be a multi-level state of the art facility including more than 122,000 gross square feet. The budget for this project is \$36,375,000 of which \$6,475,000 will be used to refund interim financing. The facility will enable the University to:

- Provide a stimulating classroom environment that promotes the undergraduate educational experience
- Support the integration of business, engineering and technology curricula
- Provide a common place to link University faculty and members of the region's business community

University Center Expansion – The University has also received \$13,750,000 in bonding authority from the Indiana General Assembly to renovate and expand the existing University Center. The project is budgeted at \$17,650,000 of which \$3,900,000 will be directly funded from University reserves. Once the facility is complete it will include space for extended services operations, special events, expanded student programming, food services and bookstore. Additional student lounge spaces and conferencing capability will be added as a result of the expansion project.