

Minutes

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

January 12, 2017

The Board of Trustees of the University of Southern Indiana met on Thursday, January 12, 2017, at The Conrad in Indianapolis, Indiana. Present were Chair Jeffrey L. Knight and Trustees W. Harold Calloway; John M. Dunn; Amy MacDonell; Ellis S. Redd; Kenneth L. Sendelweck '76; Evan K. Stieler '17; and Ted C. Ziemer, Jr. Ronald D. Romain '73 was absent. Also in attendance were President Linda L. M. Bennett; Provost Ronald S. Rochon; Vice President for Finance and Administration Steven J. Bridges '89 M'95; Director of Development and President of the USI Foundation David A. Bower; Vice President for Government and University Relations Cynthia S. Brinker; Vice President for Enrollment Management Andrew W. Wright; Faculty Senate Chair Nicholas LaRowe; and Student Government Association President Ashley T. Wright '17.

Chair Knight called the meeting to order at 10 a.m.

SECTION I – GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF NOVEMBER 3, 2016, MEETING

On a motion by Mr. Dunn, seconded by Mr. Ziemer, the minutes of the November 3, 2016, Board of Trustees meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

Mr. Knight called on Vice President Brinker, who reported the next meeting of the Board of Trustees is scheduled for Thursday, March 2, 2017, on campus.

C. PRESIDENT'S REPORT

Chair Knight called on President Bennett, who expressed her appreciation for the participation of trustees and University staff at the reception held the previous evening for legislators and government officials. She welcomed Director of Development and President of the USI Foundation David A. Bower to the board table. Mr. Bower was promoted to Vice President for Development effective February 1, 2017. He will bring a report to the Board at its regular meetings beginning March 2, 2017. She noted two other promotions effective February 1, 2017 – Richard Toeniskoetter, executive director of Information Technology was promoted to Chief Information Officer, and Dr. Katherine Draughon, executive director of Planning, Research and Assessment, was promoted to Chief Data Officer.

President Bennett announced that the University of Southern Indiana's online Master of Science in Nursing program, offered through the College of Nursing and Health Professions, was recently ranked 21st in the nation by *U.S. News and World Report* as part of its Best Online Programs rankings released on January 10.

President Bennett provided details of the Martin Luther King, Jr. Memorial Luncheon to be held on January 16, and noted that Cornell William Brooks, president and CEO of the National Association for the Advancement of Colored People, is the keynote speaker.

The President called on Provost Ronald Rochon to bring the Academic Report, an update on the University's online MBA program launched last fall in collaboration with Academic Partnerships. He stated applications and enrollment for this program exceeded the original goal. Dr. Rochon discussed ways in which the academic integrity of the program is being ensured. He provided information regarding various marketing strategies utilized by Academic Partnerships and responded to trustee questions regarding managing program growth and price.

Dr. Bennett recognized Vice President for Enrollment Management, Andrew Wright, to present a report. Mr. Wright provided the Board with an admission and enrollment update for spring and fall 2017 and advised that enrollment for Graduate programs is at an all-time high.

Dr. Bennett called on Dr. Nicholas LaRowe for a report from the Faculty Senate. Dr. LaRowe reported that Faculty Senate is currently working on a charge that was sent to the Faculty Senate Assessment Committee requesting a comprehensive review of course evaluations, in particular distance education course evaluations, to examine the relativity and reliability of the questions posed to students. Two breakout sessions were held following the Spring Faculty and Administrative meeting for faculty to provide feedback to the Assessment Committee. Faculty Senate intends to have a report and recommend a solution by the end of the academic year. Dr. LaRowe advised that the Senate also is reviewing proposed tenure and promotion portfolio guidelines.

President Bennett asked for a report from Student Government Association (SGA) President, Ashley Wright. Ms. Wright highlighted several of SGA's upcoming activities for the spring 2017 semester, including a sexual assault prevention campaign which will begin in February, and USI Day at the State House in March. She advised that SGA funded the installation of a second locking mobile device charging station in the Business and Engineering Center. In conclusion, Ms. Wright noted that four guest speakers are scheduled to present to SGA during the spring semester, including Athletic Director Jon Mark Hall, Director of Public Safety Stephen Woodall, USI Student Trustee Evan Stieler, and Mayor of Evansville Lloyd Winnecke.

D. REPORT ON THE INDIANA GENERAL ASSEMBLY

Mr. Knight called on Vice President Brinker for a report on the Indiana General Assembly. Ms. Brinker began by highlighting the 121st Indiana General Assembly's first week in session noting that approximately 750 bills have been filed, with many more expected before the filing deadline.

Vice President Brinker reviewed the budget recommendations presented to the State Budget Committee in December by the Indiana Commission for Higher Education and referred the Trustees to Exhibit I-A, a comparison of the University's budget submission with the recommendations of the Indiana Commission for Higher Education. She reported the Commission, in presenting its budget, focused on the overall needs of higher education, including operating funds, student financial aid, debt service and capital projects, institutional lines items, funding for repair and rehabilitation, and other special line items in the higher education budget.

Ms. Brinker reported that the Commission recommended the Performance Funding Formulas be funded at 7.2 percent in 2017-2018 and 8.3 percent in 2018-2019. To fund the pool, institutional operating budgets would be reduced by 3.7 percent in 2017-2018 and 4.3 percent in 2018-2019 with an assumption of new state funding of 3.5 and 4 percent in year one and year two of the biennium. She noted that USI showed improved performance in all but one of the Performance Funding Formulas and the University's operating budget would increase by over \$2.8 million or approximately 6 percent if the Performance Funding Formulas were fully funded.

Vice President Brinker provided a brief summary of the Governor's budget recommendation noting that it included no funding for new capital projects, no increase in line item funding and a reduction in funding for Dual Credit from \$50 per credit hour to \$32 per credit hour. The Governor's Budget recommended that the Performance Funding Formulas be funded at 7 percent in 2017-2018 and 8 percent in 2018-2019, the same as the Indiana Commission for Higher Education. In order to fund the performance funding pool, institutional operating budgets would be reduced 6 percent in 2017-2018 and 5 percent in 2018-2019 with an assumption of new state funding of 1 and 3 percent. In this budget, the University would see a decrease in its operating appropriation in the first year of the biennium.

Ms. Brinker advised that she will provide an update on the progress of several bills and the status of the budget at the March 2, 2017, Board of Trustees meeting.

E. APPROVAL OF CONFLICT OF INTEREST STATEMENTS

Mr. Knight called on Vice President Bridges to review the 2017 Conflict of Interest Statements. Mr. Bridges reported that each year Trustees and senior staff of the University are required to submit a Conflict of Interest Disclosure Statement which is then submitted to the State Board of Accounts. He recommended approval of the disclosure statements in Exhibit I-B.

On a motion by Mr. Redd, seconded by Mr. Ziemer, the Conflict of Interest Disclosure Statements described in Exhibit I-B were approved.

SECTION II – FINANCIAL MATTERS

A. APPROVAL OF RECOMMENDATION TO AUTHORIZE SALE OF UNIVERSITY PROPERTIES

Mr. Knight called on Vice President Bridges to discuss a proposed plan regarding the sale of 3001 Igleheart Avenue and 96 N. Barker Avenue (Exhibit II-A).

On a motion by Mr. Ziemer, seconded by Ms. MacDonell, the authorization for the sale of university properties described in Exhibit II-A was approved.

B. REPORT ON CURRENT CONSTRUCTION PROJECTS

Mr. Knight called on Vice President Bridges for a report on the status of current construction projects. Exhibit II-B is a summary of the cost and funding sources for each project.

SECTION III – PERSONNEL MATTERS

A. REPORT ON FACULTY AND ADMINISTRATIVE RETIREMENTS

Mr. Knight called on Provost Rochon, who reviewed the following faculty and administrative retirements.

Professor of English Michael S. Kearns, in accordance with the regular retirement policy, will retire effective May 8, 2017, after 15 years of service.

Distance Learning Librarian and Associate Librarian Philip E. Orr, in accordance with the regular retirement policy, retired effective January 1, 2017, after 15 years of service.

B. APPROVAL OF EMERITUS STATUS

Mr. Knight called on Provost Rochon, who recommended approval of the following emeritus titles. On a motion by Ms. MacDonell, seconded by Mr. Calloway, the following titles were approved.

Professor Emeritus of English Michael S. Kearns

Distance Learning Librarian Emeritus and Associate Librarian Emeritus Philip E. Orr

There being no further business, the meeting was adjourned at 11:03 a.m.

Respectfully submitted,


Amy MacDonell
Secretary

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2017-2019
OPERATING BUDGET SUBMISSION SUMMARY/COMPARISON**

	2017-18		2018-19	
	Budget Submission per Instructions	Commission for Higher Education Recommendation	Budget Submission per Instructions	Commission for Higher Education Recommendation
<u>EXPENDITURES</u>				
Expenditure Base	105,622,634	105,622,634	105,622,634	105,622,634
State Operating Appropriation Base Reduction	0	(1,679,953) a	0	(1,937,890) b
Performance Funding Formulas				
A. Overall Degree Completion	1,264,000	1,093,678	1,264,000	1,255,966
B. At Risk Degree Completion	162,000	140,184	162,000	160,974
C. Student Persistence Incentive	0	0	0	0
D. On-Time Graduation Rate	1,449,000	1,253,763	1,449,000	1,439,802
Total Performance Funding	2,875,000	2,487,625 c	2,875,000	2,856,742 d
Debt Service	(591,911)	(591,911)	2,629,992	2,629,992
Reallocation of Student Fees	591,911	591,911	(2,629,992)	(2,629,992)
Net Debt Service	0	0	0	0
Total Budget Increases	2,875,000	807,672	2,875,000	918,852
Total Expenditure Base	108,497,634	106,430,306	108,497,634	106,541,486
Percent Change	2.7%	0.8%	2.7%	0.9%
<u>REVENUE</u>				
Student Fee Base	51,789,543	51,789,543	51,789,543	51,789,543
Fee Increase	0	0	0	0
Transfer (to) from Debt Service	591,911	591,911	(2,629,992)	(2,629,992)
Total Student Fees	52,381,454	52,381,454	49,159,551	49,159,551
Operating Appropriation Base	44,858,559	44,858,559	44,858,559	44,858,559
Appropriation Increase	2,875,000	807,672	2,875,000	918,852
Total Operating Appropriation	47,733,559	45,666,231	47,733,559	45,777,411
Percent Change	6.4%	1.8%	6.4%	2.0%
Fee Replacement Appropriation Base	8,974,532	8,974,532	8,974,532	8,974,532
Fee Replacement Change	(591,911)	(591,911)	2,629,992	2,629,992
Total Fee Replacement Appropriation	8,382,621	8,382,621	11,604,524	11,604,524
Total State Appropriation	56,116,180	54,048,852	59,338,083	57,381,935
Percent Change	4.2%	0.4%	10.2%	6.6%
Total Revenue Base	108,497,634	106,430,306	108,497,634	106,541,486

a 3.745% of FY17 Operating Appropriation Base (\$44,858,559) plus 3.5% from new funding to fund Performance Funding Formulas in 2017-18

b 4.32% of FY17 Operating Appropriation Base (\$44,858,559) plus 4% from new funding to fund Performance Funding Formulas in 2018-19

c 13.47% per unit reduction of the Performance Funding Formula values in 2017-18

d .635% per unit reduction of the Performance Funding Formula values in 2018-19

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2017-2019
COMPARISON OF BUDGET SUBMISSION
WITH INDIANA COMMISSION FOR HIGHER EDUCATION**

	2017-18		2018-19	
	Budget Submission per Instructions	Commission for Higher Education Recommendation	Budget Submission per Instructions	Commission for Higher Education Recommendation
OPERATING BUDGET				
State Operating Appropriation Base Reduction	0	(1,679,953) a	0	(1,937,890) b
Performance Funding Formulas				
Overall Degree Completion	1,264,000	1,093,678 c	1,264,000	1,255,966 d
At Risk Degree Completion	162,000	140,184 c	162,000	160,974 d
Student Persistence Incentive	0	0 c	0	0 d
On-Time Graduation Rate	1,449,000	1,253,763 c	1,449,000	1,439,802 d
Total	2,875,000	807,672	2,875,000	918,852

	Submission	Commission for Higher Education Recommendation		
	2017-19	2017-18	2018-19	Total
CAPITAL BUDGET REPAIR AND REHABILITATION				
General R&R	3,233,600	808,400	808,400	1,616,800
Infrastructure	491,744	122,936	122,936	245,872
Total	3,725,344	931,336 *	931,336 *	1,862,672

* 25% of R&R funding formula

	Submission	Commission for Higher Education Recommendation	
	2017-19	2017-19	Comments
CAPITAL BUDGET FACILITIES			
Physical Activities Center Classroom Expansion - Phase II State Funding Bonding Authorization	41,000,000	41,000,000	\$3,220,569 estimated annual debt service beginning FY19

	Line Item Appropriation	Submission	Commission for Higher Education Recommendation	Comments
	2016-17	2017-19	2017-19	
LINE ITEM INITIATIVES				
Historic New Harmony	486,878			
2017-18		530,697	503,919	3.5% increase of FY17 appropriation
2018-19		576,488	503,919	
Total		1,107,185	1,007,838	
Dual Credit Enrollment	320,450			
2017-18		302,550	302,550	based on 2014-15 dual credit enrollment
2018-19		302,550	302,550	
Total		605,100	605,100	
USI Campus Security Enhancements	0			
2017-18		750,000	750,000	
2018-19		750,000	750,000	
Total		1,500,000	1,500,000	
USI STEM Initiative	0			
2017-18		2,000,000	0	
2018-19		2,000,000	0	
Total		4,000,000	0	

a 3.745% of FY17 Operating Appropriation Base (\$44,858,559) plus 3.5% from new funding to fund Performance Funding Formulas in 2017-18
b 4.32% of FY17 Operating Appropriation Base (\$44,858,559) plus 4% from new funding to fund Performance Funding Formulas in 2018-19
c 13.47% per unit reduction of the Performance Funding Formula values in 2017-18
d .635% per unit reduction of the Performance Funding Formula values in 2018-19

**Possible Conflict of Interest Disclosure Statements
Filed for 2017**

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
11-14-16	Larry Back Academic Services Analyst; Administrative Senate Chair	None	N/A
11-14-16	James Beeby Dean, College of Liberal Arts	None	N/A
11-14-16	Linda L. M. Bennett President	Deaconess Health Systems Economic Development of SW IN Welborn Baptist Foundation WNIN	Director Director Director Chair
11-28-16	Mark C. Bernhard Associate Provost for Outreach and Engagement	None	N/A
11-29-16	Shelly B. Blunt Associate Provost for Academic Affairs	None	N/A
11-14-16	David A. Bower Director of Development; President, USI Foundation	None	N/A
11-15-16	Steven J. Bridges Vice President for Finance and Administration	None	N/A
11-14-16	Cynthia S. Brinker Vice President for Government and University Relations	None	N/A
11-16-16	William Harold Calloway Trustee	None	N/A
11-14-16	Miekka M. Cox Executive Assistant to the President	None	N/A
11-29-16	Katherine A. Draughon Executive Director of Planning, Research and Assessment	None	N/A
11-15-16	John M. Dunn Trustee	Dunn Hospitality Group Evansville Commerce Bank	Majority Stockholder Director
11-16-16	Jon Mark Hall Director of Athletics	None	N/A

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
11-18-16	Mary A. Hupfer Associate Vice President for Finance and Administration; Foundation Fiscal Officer	None	N/A
11-14-16	Mohammed Khayum Dean - College of Business	None	N/A
11-14-16	Marcia Kennard Kiessling Associate Provost for Student Affairs	None	N/A
11-14-16	Jeffrey L. Knight Trustee	Old National Bank	Shareholder & Employee
11-28-16	Nicholas LaRowe Associate Professor of Political Science and Public Administration; Faculty Senate Chair	None	N/A
11-14-16	Andrew Lenhardt Executive Director of Human Resources; Affirmative Action Officer; Title IX Coordinator	None	N/A
11-22-16	Amy MacDonell Trustee	JP Morgan Old National Bank	Shareholder Spouse is Board Director
11-14-16	Daniel R. Martens Director of Procurement	None	N/A
11-29 -16	Zane W. Mitchell Jr. Dean, Pott College of Science, Engineering and Education; Professor of Engineering	None	N/A
11-14-16	Nita Musich Senior Administrative Associate, President's Office; Staff Council Chair	None	N/A
11-29-16	Iris Phillips Professor of Social Work; Council of Department Chairs and Program Directors Chair	None	N/A
11-14-16	Ellis S. Redd Trustee	None	N/A
11-14-16	Ronald S. Rochon Provost	None	N/A
11-14-16	Ronald D. Romain Trustee	None	N/A

NAME/ DATE	VENDOR/ TITLE	DESCRIPTION OF CONTRACTOR	FINANCIAL INTEREST
11-16-16	Kenneth L. Sendelweck Trustee	Merrill Lynch/Bank of America	Employee
11-29-16	Evan K. Stieler Trustee	None	N/A
11-14-16	Kindra L. Strupp Associate Vice President for Marketing and Communications	None	N/A
11-15-16	Richard Toeniskoetter Executive Director of Information Technology	None	N/A
11-14-16	Ann H. White Dean, College of Nursing and Health Professions	None	N/A
11-14-16	Andrew W. Wright Vice President for Enrollment Management	None	N/A
11-17-16	Ted C. Ziemer, Jr. Trustee	None	N/A

**CERTIFIED RESOLUTIONS OF THE
BOARD OF TRUSTEES OF THE
UNIVERSITY OF SOUTHERN INDIANA**

I, Amy MacDonell, the duly qualified and elected Secretary of the Board of Trustees of the University of Southern Indiana, does hereby certify that the following is a true and correct copy of resolutions adopted by the Board of Trustees of the University of Southern Indiana on the 12th day of January, 2017, and that said resolutions are in full force and effect and have not been revoked:

WHEREAS, the University of Southern Indiana (“USI”) has engaged in the presentation of theatre as a component of student learning and to enhance community arts and culture; and

WHEREAS, USI owns two off campus properties located at 3001 Igleheart Avenue and 96 N. Barker Avenue in Evansville, Indiana (the “Real Estate”), which USI has used for theatre presentations as part of its efforts to provide learning and community cultural events; and

WHEREAS, USI’s efforts to provide performing arts were acknowledged by the State of Indiana by a capital appropriation to build the USI Performance Center on campus; and

WHEREAS, it has been determined that the Real Estate is no longer needed to deliver theatre for the purposes of USI, and that it would be advantageous for USI to sell the Real Estate for no less than the full appraised value; and

WHEREAS, proceeds from the sale of the Real Estate will be used to create on campus storage to support USI theatre and other campus department needs; and

WHEREAS, the Real Estate was purchased by the University of Southern Indiana and was not acquired by gift or devise; and

WHEREAS, the USI Board of Trustees has determined that the Real Estate should be declared surplus to the purposes of USI and disposed of in accordance with applicable statutes and policies.

NOW, THEREFORE, BE IT RESOLVED, that the Real Estate is and it is hereby declared to be surplus to the purposes of USI and that it would be advantageous to USI to sell the Real Estate for no less than the full appraised value as determined below.

FURTHER RESOLVED, that a copy of these resolutions duly certified be delivered to the Governor of the State of Indiana with a request that three (3) disinterested appraisers be appointed to determine the value of the Real Estate pursuant to Indiana Code 21-36-3-6 for the purpose of said sale.

FURTHER RESOLVED, that USI, after receipt of the determination of value from those appraisers appointed by the Governor, negotiate to sell the Real Estate at a price acceptable to USI, but in any event for not less than the full appraised value as determined by the appraisers.

FURTHER RESOLVED, that USI’s Vice President for Finance and Administration, Steven J. Bridges, and such other officers as in his sole discretion he deems necessary, advisable or appropriate (“**Authorized Officers**”) be, and they hereby are, authorized and directed to negotiate and enter into an agreement for the sale of the Real Estate for not less than the full appraised value upon such terms and conditions as the Authorized Officers, in their sole discretion, deem necessary, advisable or appropriate, and in the best interests of USI, which agreement shall be submitted to the Board of Trustees of USI for final approval.

IN WITNESS WHEREOF, I have hereunto executed this Certificate as of the 12th day of January, 2017.

UNIVERSITY OF SOUTHERN INDIANA

By: _____
Amy MacDonell, Secretary

**Summary
Construction Projects
January 12, 2017**

Projects Recently Completed

Science Center Air Handling Unit 1 Refurbishment

Project Cost \$ **385,000**

Funding Sources:

General Repair and Rehabilitation Appropriation \$ 325,000

Special Projects \$ 60,000

University Center 205/206 University Suite Renovation

Project Cost \$ **300,000**

Funding Source: Special Projects

Projects Under Construction

Multi-Institutional Academic Health and Science Research Center

Project Cost \$ **6,000,000**

Funding Source: Legislative Appropriation - 2015

Fuguay Welcome Center

Project Cost \$ **2,500,000**

Funding Sources:

Private Gifts \$ 2,000,000

Special Projects \$ 500,000

Children's Learning Center R&R Safety Improvements

Project Cost \$ **180,000**

Funding Source: Auxillary Repair and Rehabilitation

Liberal Arts Dean's Suite Remodel

Project Cost \$ **170,000**

Funding Source: Special Projects

Replace High Lighting in Parking Lots A, B and C

Project Cost \$ **130,000**

Funding Source: Parking Reserves

Projects in Design

Physical Activities Center (PAC) Renovation

Project Cost \$ 16,000,000

Funding Source: Legislative Appropriation - 2013

Health Professions Center: Classroom Renovation/Expansion

Project Cost \$ 8,000,000

Funding Source: Legislative Appropriation - 2015

Orr Center Registrar's and Undergraduate Admissions Office Renovation

Project Cost \$ 525,000

Funding Source: Special Projects

Door Hardware with ADA Interior Locks Replacement

Project Cost \$ 450,000

Funding Source: Special Projects

Arc Flash OSHA Code Requirements for Electrical Panels

Project Cost \$ 260,000

Funding Source: Special Projects

Energy Management System Upgrade:

Health Professions Center, Science and Education Center

Project Cost \$ 180,000

Funding Source: General Repair and Rehabilitation Appropriation