

AGENDA
JOINT MEETING
FINANCE/AUDIT AND CONSTRUCTION COMMITTEES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES
July 8, 2004

(FINANCE/AUDIT)

1. RECOMMENDATION TO APPROVE PROPOSED 2005-2007 CAPITAL IMPROVEMENT BUDGET REQUEST

The Capital Improvement Budget Request for 2005-2007 in Attachment A will be reviewed. The request proposes the construction of a new School of Business/General Classroom Building and the expansion of the Recreation and Fitness Center – Phase II.

Approval of a recommendation to the Board of Trustees for approval of the 2005-2007 Capital Improvement Budget Request is recommended.

Note: Attachment A is a summary of the 2005-2007 Capital Improvement Budget Request. Copies of the complete budget document will be available at the July 8 meeting.

2. DISCUSSION OF OPERATING BUDGET REQUEST FOR 2005-2007

The Operating Budget Request for 2005-2007 will be reviewed. The request will be submitted to the Commission for Higher Education and the State Budget Agency on August 1, 2004.

3. REVIEW OF THE FINANCING PLAN FOR THE NEW DAVID L. RICE LIBRARY

4. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS
(Attachment B)

(CONSTRUCTION)

5. REPORT OF CHANGE ORDERS ISSUED BY THE VICE PRESIDENT FOR BUSINESS AFFAIRS
(Attachment C)

UNIVERSITY OF SOUTHERN INDIANA

2005-2007 CAPITAL IMPROVEMENT PLAN

The Capital Improvement Budget Request for 2005-2007 is detailed on Schedule A and asks approval and funding for the following projects:

SPECIAL REPAIR AND REHABILITATION

No request for Special Repair and Rehabilitation

NEW CONSTRUCTION

Request for School of Business/General Classroom Building and Related Physical Plant Expansion for 2005-2007

Request for Recreation and Fitness Center Expansion - Phase II for 2005-2007

ACQUISITIONS

No requests for Acquisitions for 2005-2007

MAJOR EQUIPMENT

No requests for Major Equipment for 2005-2007

GENERAL REPAIR AND REHABILITATION AND INFRASTRUCTURE

The 2005-2007 Capital Improvement Budget Request asks for funding and approval of several general repair and rehabilitation projects totaling \$1,939,038. The repair and rehabilitation projects planned for completion in the 2005-2007 biennium include the following:

- Renovate Wright Administration Building Forum Wing Lecture Halls I and III
- Repair walkways throughout campus
- Replace east one-half of roof on Murphy Auditorium
- Perform exterior repairs to the Neef House in New Harmony
- Replace exterior light fixtures with metal halide type - Phase II
- Repair Robert D. Orr Center wall covering in corridors, stairs, and classrooms
- Renovate Robert D. Orr Center restrooms to provide wheelchair accessibility
- Upgrade fire alarm systems in Science Center, Wright Administration, Technology Center, and Physical Activities Center buildings
- Replace exposed lighting lamps and install on-off controls for lights in utility tunnels
- Replace roof on Wright Administration Building
- Replace roof on Technology Center
- Repair high temperature water system valves and insulation in utility tunnels

- Repair chilled water system valves and insulation in utility tunnels
- Replace 12,470-volt electric distribution cable and switchgear in utility tunnels
- Repair University Boulevard, Clarke Lane, and Bent Twig Lane asphalt pavement
- Repair front entrance to Theatre Costume Building
- Renovate Theatre Building exterior and correct water leakage in basement
- Rebuild Weber Cabin in New Harmony

The General Repair and Rehabilitation and Infrastructure funding requested, along with funds from other sources, will keep deferred maintenance to a minimum and the University and New Harmony structures, facilities, and campus in a satisfactory condition.

The 2005-2007 Capital Improvement Budget Request includes the following schedules:

- Schedules A through F - Capital Improvement Budget Request
- Attachment B - Debt Service Schedules for Fee-Replaced Bond Issues
- Income II - Preliminary Fee Replacement Requests
- Background II-A and Background II-B - Principal Retirement Schedules

UNIVERSITY OF SOUTHERN INDIANA

2005-2007 CAPITAL IMPROVEMENT BUDGET REQUEST SUMMARY

The University of Southern Indiana's 2005-2007 Capital Improvement Budget Request proposes construction of a new School of Business/General Classroom Building and Phase II Expansion of the Recreation and Fitness Center. The University of Southern Indiana Board of Trustees and administration are pleased to present the 2005-2007 Capital Improvement Budget Request for review by the Indiana General Assembly, the Commission for Higher Education, and the State Budget Agency.

The University's number one capital priority for the 2005-2007 biennium is funding for construction of a new School of Business/General Classroom Building. The proposed facility will accommodate increased student enrollment, incorporate advanced technology into the construction of the building, and provide needed general and specialized classroom and laboratory space. Included in the project is the expansion of the University's physical plant and completion of the lower level of the Education Center.

Phase II expansion of the Recreation and Fitness Center is the University's number two capital priority. Due to growth in student enrollment and increased utilization of the current facility, there is a need to provide additional activity space. The University seeks project and bonding authority (but no State funding) for expansion of the Recreation and Fitness Center to provide needed wellness, recreation, and physical fitness facilities for students, faculty, and staff.

Included in the 2005-2007 Capital Improvement Budget Request is funding for several general repair and rehabilitation projects. Many of the projects planned during the 2003-2005 biennium have been deferred to the 2005-2007 biennium due to lack of funding. The funding requested for general repair and rehabilitation projects is needed to keep deferred maintenance to a minimum and to maintain University structures and facilities.

The University of Southern Indiana's 2005-2007 Capital Improvement Budget Request is consistent with the long-range plans of the University, the mission of the University, and the economic needs of the State of Indiana. In the past ten years, enrollment at the University has increased by 31 percent from 7,551 students in fall 1993 to 9,899 students in fall 2003. A notable change in the student population is the 56 percent increase in the number of full-time-equivalent students from 5,164 in 1992-1993 to 8,049 in 2002-2003. With the opening of Ruston Student Residence Hall in August 2004, the number of students living on campus will exceed 3,000. In addition, more than 9,000 adults and youth enroll annually in noncredit, continuing education, workforce training, and professional development programs at the University. The rapid growth in student enrollment has resulted in a deficit of classroom, laboratory, and office space, and the need for additional recreational space.

The following charts, *Fall Student Headcount Enrollment and Fall Enrollment 1991-2011*, *Academic/Administrative Assignable Square Feet Per FTE Student for Fall 2003*, and

Projected Academic/Administrative Space Needs Per Full-Time-Equivalent Student: 2000-2014, illustrate the increases in student enrollment and the space requirements needed to serve the students of the University of Southern Indiana. The University's average assignable square footage per full-time-equivalent student continues to fall below the state average by 22 percent, resulting in a space deficit of more than 200,000 assignable square feet. The future needs for the physical development of the campus are identified in the University's Ten-Year Capital Improvement Plan for 2005-2015.

Detailed explanations of the projects requested in the University of Southern Indiana's 2005-2007 Capital Improvement Budget Request are provided in the accompanying documentation.

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE A
SUMMARY OF CAPITAL BUDGET REQUEST FOR 2005-07

Capital Budget Item	Budget Agency Number (1)	Institutional System-wide Priority	State Funding			Non-State Funding	Total Budget Request	Annual Debt Service (2)	
			Cash	Bonding Authority	Lease-Purchase			Fee Replacement	Non-State Debt Service
I. R & R Formula Facilities Infrastructure/Utilities	G-0-05-2-05		\$1,176,610 \$762,428				\$1,176,610 \$762,428		
II. Special R & R (None)									
III. Technology (None)									
IV. New Construction									
School of Business/General Classroom Bldg. and Related Physical Plant Expansion	G-0-05-1-01	1		\$33,800,000			\$33,800,000	\$2,887,314	
Recreation and Fitness Center Expansion - Phase II	G-0-05-1-02	2				\$7,250,000	\$7,250,000		\$619,320
Student Residence Building	G-0-05-1-03	3				\$7,750,000	\$7,750,000		\$662,032
Parking Facilities	G-0-05-1-04	4				\$1,000,000	\$1,000,000		\$85,423
V. Acquisition (Facility, Land, or Lease) (None)									
VI. Other (None)									
VII. Grand Total			\$1,939,038	\$33,800,000	\$0	\$16,000,000	\$51,739,038	\$2,887,314	\$1,366,775

NOTES:

(1) See Appendix A.

(2) Assume 20 years at 5.75%.

**UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE B
CAPITAL IMPROVEMENT BUDGET PROJECT REPORT FOR 2005-07**

<u>Project Title</u>	<u>Budget Agency Number</u>	<u>Project Size (GSF)</u>	<u>Total Project Cost</u>	<u>State Appropriation</u>	<u>Bonding Authority</u>	<u>Gifts Grants</u>	<u>Lease- Purchase</u>	<u>Other Funds</u>
PART I. PROJECTS COMPLETED DURING 2003-05 BIENNIUM								
I. New Construction Science/Education Center	G-0-97-1-01	115,000	\$ 23,176,000		\$ 23,176,000			
PART II. PROJECTS IN PROGRESS ON JUNE 30, 2004								
I. R & R Formula Two R & R Projects	G-0-03-2-02		\$ 100,103	\$ 100,103				
II. New Construction Library/Classroom Expansion	G-0-01-1-01-P	151,412	\$30,708,830		\$30,708,830			
Student Housing Residence No. 4	G-0-03-1-03	69,507	\$7,500,000		\$7,500,000			
Expansion of Parking Lot E	G-0-04-1-01		\$400,000					\$400,000
PART III. PREVIOUSLY AUTHORIZED PROJECTS YET TO BE SUBMITTED FOR APPROVAL								
II. Special R & R University Center Expansion	G-0-03-2-01	86,257	\$ 9,750,000		\$ 9,750,000			

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 Related Physical Plant Expansion	\$33,800,000		98,800						
2. General Classroom Building							\$25,000,000		50,000
3. Recreation and Fitness Center Expansion - Phases II and III		\$7,250,000 b	33,800				\$5,250,000	b	25,000
4. Student Residence Buildings		\$7,750,000 a	55,000		\$8,500,000 a	55,000	\$9,000,000	a	55,000
5. Student Residence Dining Facilities							\$3,000,000	a	55,000
6. Parking Facilities (Note 2)		\$1,000,000 b			\$8,250,000 b	1,400	\$7,000,000	b	
7. Physical Activities Center (PAC) Addition				\$6,430,000	\$6,430,000 c	58,000			
8. Art, Theater, and Music Center							\$25,000,000	\$7,000,000 c	60,000
III. Facilities Acquisition									
(None)									
IV. Lease									
(None)									
TOTAL	\$33,800,000	\$16,000,000	187,600	\$35,430,000	\$31,830,000	184,400	\$50,000,000	\$39,250,000	245,000

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

(2) Received bonding authorization in 2003-2005 for \$3,000,000 to construct parking facility; mid-term request is for increase of \$4,000,000 in bonding authorization for construction of parking facility for total of \$7,000,000 for project. Balance of request for \$1,250,000 is for other parking facilities.

BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

1. Additional Appropriation of Income

From:	Unappropriated Current Operating Funds		
To:	1-10102	College Achievement Program Personal Services Supplies and Expense	600 183
To:	1-10107	Honors Program Personal Services	587
To:	1-10150	Arts Commission General Supplies and Expense	500
To:	1-10300	Pott School of Science and Engineering Personal Services Supplies and Expense	52,800 5,397
To:	1-10400	School of Nursing and Health Professions Personal Services Supplies and Expense	50,000 4,008
To:	1-10700	School of Business Supplies and Expense	1,294
To:	1-10760	Management and Marketing Personal Services	18,575
To:	1-10761	Blair Chair Discretionary Fund Supplies and Expense	311
To:	1-10800	Bower-Suhrheinrich School of Education and Human Services Personal Services Supplies and Expense	9,600 837
To:	1-10840	Teacher Education Supplies and Expense	3,399
To:	1-13300	Instructional Technology Services Capital Outlay	50,000
To:	1-16221	Art Collection Committee Supplies and Expense	3,955
To:	1-16230	News and Information Services Supplies and Expense	11,422
To:	1-16400	Development Supplies and Expense Capital Outlay	39 333
To:	1-16410	Alumni Services Supplies and Expense	381

From:	Unappropriated Designated Funds		
To:	2-20100	Student Programs Supplies and Expense	1,420
To:	2-20120	Multicultural Center Supplies and Expense	325
To:	2-23100	Faculty Development Travel Supplies and Expense	3,859
To:	2-23120	Faculty Enhancement – Liberal Arts Personal Services Supplies and Expense	2,151 2,316
To:	2-23130	Faculty Enhancement – Science and Engineering Supplies and Expense	6,492
To:	2-23140	Faculty Enhancement – Nursing and Health Professions Supplies and Expense	3,055
To:	2-23170	Faculty Enhancement – Business Supplies and Expense Capital Outlay	18,430 20
To:	2-23180	Faculty Enhancement – Education Personal Services Supplies and Expense Capital Outlay	160 3,432 1,750
To:	2-23300	School of Business Revolving Account Supplies and Expense	492
To:	2-23305	Center for Business and Economic Research Supplies and Expense	885
From:	Unappropriated Auxiliary Funds		
To:	3-30200	University Center Supplies and Expense	4,424
To:	3-30900	New Harmony Operations Supplies and Expense	3,000
To:	3-33300	Residence Life - Resident Assistants Supplies and Expense	537
From:	Unappropriated Restricted Funds		
To:	4-46617	Indiana Campus Compact - Nurturing Civic Responsibility Grant Personal Services	3,000
To:	4-46618	Indiana Campus Compact - Logic Diagram Grant Personal Services	5,000

2. Additional Appropriation of Reserve Funds

To:	1-10200	School of Liberal Arts Capital Outlay	25,147
To:	1-10700	School of Business Capital Outlay	10,000
To:	1-14005	Career Services Supplies and Expense	1,035
To:	1-16301	Duplicating Services Capital Outlay	58,350

3. Transfer and Appropriation of Funds

From:	1-16220	Advancement	
To:	3-30202	Conference Services Operations Personal Services	1,500
From:	2-20110	Student Activities	
To:	2-20120	Multicultural Center Supplies and Expense	225
From:	6-61371	Science/Education Center – Instructional Technology Equipment	
To:	1-13300	Instructional Technology Services Capital Outlay	5,000

**Report to University of Southern Indiana Board of Trustees
July 8, 2004**

Change Orders Issued by the Vice President for Business Affairs

On September 6, 2001, the Board of Trustees adopted a procedure related to changes in construction contracts which included the following: "Change orders up to \$25,000 may be issued by the Vice President for Business Affairs and reported to the Board of Trustees at its next meeting." Consistent with that policy, the following change orders have been issued.

PROJECT: Henry W. and Betty Jane Ruston Hall

	<u>Description</u>	<u>Contractor</u>	<u>Amount</u>
<u>CO- E05</u>	Provide network jack in Room 130 and additional data rack in Room 330	J. E. Shekell Refrigeration, Heating, and Air-Conditioning Co., Inc.	\$ 799.00
<u>CO- E06</u>	Provide additional electrical components for elevator equipment	J. E. Shekell Refrigeration, Heating, and Air-Conditioning Co., Inc.	\$1,399.00

\$51,424,787
UNIVERSITY OF SOUTHERN INDIANA
University of Southern Indiana Student Fee Bonds, Series I
(Preliminary "Aaa" Insured Rates as of 5/5/04, Subject to Change)

Total Issue Sources And Uses

Proposed - 5/08/04

	New Money	Refunding of Series D	Refunding of Series E	Issue Summary
Sources Of Funds				
Par Amount of Bonds.....	33,890,000.00	11,580,000.00	3,330,000.00	48,800,000.00
Reoffering Premium.....	<u>1,983,577.75</u>	<u>466,534.90</u>	<u>174,674.75</u>	<u>2,624,787.40</u>
Total Sources.....	\$35,873,577.75	\$12,046,534.90	\$3,504,674.75	\$51,424,787.40
Uses Of Funds				
Costs of Issuance.....	\$175,576.84	\$59,993.50	\$17,252.02	\$252,822.36
Gross Bond Insurance Premium.....	195,170.00	49,989.49	15,252.91	260,412.40
Deposit to Capitalized Interest (CIF) Fund.....	4,791,563.40	0.00	0.00	4,791,563.40
Deposit to Project Construction Fund.....	30,708,830.00	0.00	0.00	30,708,830.00
Deposit to Net Cash Escrow Fund.....	0.00	11,932,146.94	3,471,168.55	15,403,315.49
Additional Proceeds.....	<u>2,437.51</u>	<u>4,404.97</u>	<u>1,001.27</u>	<u>7,843.75</u>
Total Uses.....	\$35,873,577.75	\$12,046,534.90	\$3,504,674.75	\$51,424,787.40
Anticipated Interest Cost				4.50%
\$ Savings		\$459,359	\$166,289	

\$49,590,000
UNIVERSITY OF SOUTHERN INDIANA
University of Southern Indiana Student Fee Bonds, Series I
("Aaa" Insured Rates as of 5/5/04)

Total Issue Sources And Uses

Actual - 6/03/04

Dated 06/03/2004 | Delivered 06/03/2004

	New Money	Refunding of Series D	Refunding of Series E	Issue Summary
Sources Of Funds				
Par Amount of Bonds.....	34,720,000.00	11,545,000.00	3,325,000.00	49,590,000.00
Reoffering Premium.....	<u>1,307,227.15</u>	<u>495,284.30</u>	<u>174,023.90</u>	<u>1,976,535.35</u>
Total Sources.....	\$36,027,227.15	\$12,040,284.30	\$3,499,023.90	\$51,566,535.35
Uses Of Funds				
Costs of Issuance.....	\$184,836.91	\$61,461.47	\$17,701.12	\$263,999.50
Gross Bond Insurance Premium.....	178,830.38	45,241.68	13,819.31	237,891.37
Deposit to Capitalized Interest (CIF) Fund.....	4,953,100.21	0.00	0.00	4,953,100.21
Deposit to Project Construction Fund.....	30,708,830.00	0.00	0.00	30,708,830.00
Deposit to Net Cash Escrow Fund.....	0.00	11,933,302.66	3,467,300.34	15,400,603.00
Additional Proceeds.....	<u>1,629.65</u>	<u>278.49</u>	<u>203.13</u>	<u>2,111.27</u>
Total Uses.....	\$36,027,227.15	\$12,040,284.30	\$3,499,023.90	\$51,566,535.35
Net Interest Cost				4.70%
\$ Savings		\$333,892	\$123,210	
NPV Savings		2.78%	3.50%	

