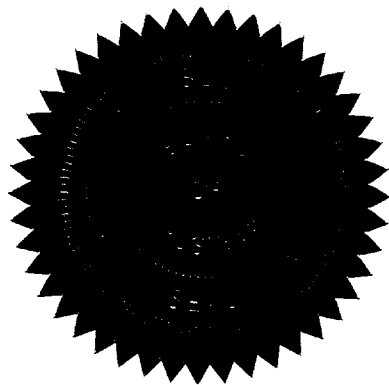


MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 3, 2008



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

September 3, 2008

The University of Southern Indiana Board of Trustees met in regular session on Wednesday, September 3, 2008, in the McCutchan Art Center. In attendance were Trustees Ira G. Boots, W. Harold Calloway; Jamie L. Johnson '09; Amy MacDonell; Ronald D. Romain '73; Steven J. Schenck '72; and Ted C. Ziemer Jr. Trustees John M. Dunn and Jeffrey L. Knight were absent. 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.

In the absence of Chair John Dunn, Vice Chair Harold Calloway called the meeting to order at 2:00 p.m. He introduced new Trustees Ira Boots, Ronald Romain, and Steven Schenck, and welcomed them to their first meeting of the Board.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF JULY 10, 2008, MEETING

On a motion by Ms. MacDonell, seconded by Ms. Johnson, the minutes of the July 10, 2008, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

Mr. Calloway called on Vice President Brinker, who announced the next meeting of the Board of Trustees is scheduled for Thursday, November 6, 2008, on campus. She referred the Trustees to a copy of the meeting schedule for 2008-2009 included in their meeting packets.

C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

The Long-Range Planning Committee met prior to the Board of Trustees meeting on September 3, 2008. Mr. Calloway, Chair of the Committee, called on Provost Bennett to report on the meeting. Dr. Bennett reported that Dean of the College of Liberal Arts David Glassman led Liberal Arts faculty in a presentation about four of several community outreach projects in the College. The projects described to the Long-Range Planning Committee were:

- A Spanish language information guide for German American Bank;
- Assistance to low-income teenage mothers to help them complete their education and acquire job skills;
- A study on the impact of Habitat for Humanity housing on a community; and
- A documentary on the effort to save the New Harmony bridge.

D. PRESIDENT'S REPORT

President Hoops welcomed Trustees Ira Boots, Ron Romain, and Steve Schenck to their first meeting of the Board and noted they completed an orientation session in August.

He called on Vice President Parrent for a report on fall enrollment. Dr. Parrent told the Trustees that while the official census date for fall enrollment is Friday, September 4, 2008, he was pleased to report in the interim that enrollment as of September 3 is 10,115. This record enrollment is an increase of 176 students over fall 2007. Vice President Parrent noted final and complete information regarding enrollment will be released by the department of News and Information Services at the appropriate time.

President Hoops was pleased to note the Board of Trustees is the first group to meet in the McCutchan Art Center/Pace Galleries. The construction of the facility was possible, in large part, to a generous gift from the late Kenneth P. McCutchan. The inaugural exhibition includes a portion of his collection of the works of Indiana artists. Also on display are works by artist Stephen Pace, for whom the Pace Galleries are named. Dr. Hoops announced a ribbon cutting and community open house will officially open the facility on Sunday, September 7, 2008.

He called on Provost Bennett for the academic report. Dr. Bennett introduced Joan Kempf DeJong, associate professor of graphic design and chair of the Department of Art, who joined the USI faculty in 2000 and became department chair in 2007. Professor DeJong reported on the department's goal to contribute to visual arts, education, and outreach in the community, and she discussed many ways art faculty and students fulfill this goal. The Children's Art Workshops at USI offer dynamic art experiences to area children and provide opportunities for education students to plan and instruct workshop sessions. She described the many ways USI art faculty and students are involved in creating public art projects and their participation in art exhibitions in the community. The USI Visiting Artist and Artist-in-Residence Programs offer community exposure to national and international artists. Professor DeJong reported the design skills of art faculty and students are often showcased in design projects for community organizations, and noted that art tours led by art faculty have taken groups to visit cultural sites on five continents. She concluded her report by discussing various art internships in the community filled by USI students. These internships are an important learning experience for students and provide service to area organizations and businesses.

President Hoops asked Dr. Bennett to report on a campus event that will be part of the national DebateWatch program sponsored by the Commission for Presidential Debates. Dr. Bennett announced that Debate-A-Palooza will be held on Friday, September 26, on the USI quadrangle. Sponsored by the Communication Club and Activities Programming Board, the free event (which is open to the public) will include live music and viewing of the first debate between the presidential candidates. Following the debate, student facilitators will lead smaller groups in discussions about the performance of the candidates. The sponsoring groups are supported by Academic Affairs, the RISC (Research, Innovation, Scholarship, and Creativity) Grant Program, University Core Curriculum, and the USI Bookstore. Dr. Bennett noted that when the quadrangle was completed, a hope was it would become a gathering spot for students and a place for special events. An outdoor exhibit last spring by artist John David Mooney and Debate-A-Palooza are indications those hopes are being realized.

Dr. Hoops was pleased to report the University recently celebrated the accomplishments of Southern Indiana Higher Education, Inc. (SIHE). SIHE's initial group of community leaders provided the vision and commitment for the establishment of the ISUE campus in Evansville and the purchase of the land that would eventually house the campus of the University of Southern Indiana. SIHE brought student housing to campus and was instrumental in the fight for separation and the establishment of USI as a free-standing institution. The president commented the contributions of this organization cannot be overstated. He asked Vice President Rozewski for a report on SIHE's recent gift of its assets to the USI Foundation. Vice President Rozewski reported that SIHE, after its 40 years of philanthropic service to Southwestern Indiana and the University, recently dissolved its corporation and transferred its assets to the USI Foundation. This transfer included over 900 acres of land, several rental properties, and approximately \$500,000 in cash, together valued at more than \$3.5 million. Mr. Rozewski shared a map to show the area of land included in SIHE's gift. He reported the cash portion of the gift will fully fund two Presidential Scholarships and a third substantial scholarship for USI students. He expressed the gratitude of the University for SIHE's support over the years and its generous gift.

The president called on Coordinator for the Presidential Search process, Vice President Emeritus Sherrienne Standley, for a report. Ms. Standley reviewed the work of the committee since she last reported to the Board of Trustees at its meeting in July 2008. A brochure was prepared and printed, recruitment ads have appeared or are scheduled in The Chronicle of Higher Education and other national publications, and a mailing went to presidents and chancellors of member institutions of the American Council on Education. She invited the Trustees to view the Presidential Search pages on the USI Web site and thanked the USI Web team for its assistance in preparing the site. Ms. Standley reported that progress reports were presented to University faculty and staff at their fall meetings. She reported the subcommittees have successfully met all deadlines and the search process is working well. She concluded by noting applications are being received and all information about applicants will remain confidential until finalists are named in January 2009.

Dr. Hoops asked Director of Athletics Jon Mark Hall for an annual report of intercollegiate athletics programs. Mr. Hall shared a snapshot of NCAA Division II, which has 282 active members and 20 more in provisional and exploratory stages. Fifty-four percent of its members are public institutions with average undergraduate enrollments of 4,535. The average sports sponsorship for Division II institutions is 15. Mr. Hall reported that USI sponsors 15 programs – seven for males and eight for females. He characterized Division II as “life in the balance”, where the emphasis on the student-athlete is a comprehensive program of learning and development. He discussed changes in the Great Lakes Valley Conference (GLVC), of which USI is a member. Now a conference of 13 member institutions, it may grow to 15 in 2009-2010, pending the membership requests of the University of Illinois-Springfield and Maryville University (St. Louis).

Mr. Hall reported that in 2008-2009, the USI Varsity Club has pledged to fund the largest amount for athletic scholarships in its history. He noted three USI programs ranked nationally this fall in pre-season polls – men’s cross country (13th); women’s cross country (14th); and women’s golf (24th). The men’s and women’s basketball teams will begin exhibition seasons on November 1, 2008, as the women face Indiana University in Bloomington and the men play the University of Evansville at Roberts Stadium in Evansville.

Mr. Hall noted highlights of the 2007-2008 year, when USI’s student-athletes excelled in the classroom with an overall department grade point average of 3.074. Softball player Kathy Wood '08 received a prestigious NCAA Post Graduate Scholarship to assist her as she works toward a master’s degree. Ms. Wood was named an all-conference and all-region performer on the field and was recognized as softball’s GLVC Scholar Athlete of the Year. Mr. Hall noted the men’s cross country team won its third consecutive conference championship in 2007 and the women’s golf team qualified for the NCAA championships for the fourth time in five years. The baseball team won the western division of the GLVC. A baseball student-athlete, Jeremy Kehrt, was selected in the Major League draft by the Boston Red Sox. Mr. Hall was pleased to report Mr. Kehrt is 3-2 in the minor leagues and will return to USI this year to complete his degree.

Dr. Hoops called on Professor Lesa Cagle for a report from Faculty Senate. Professor Cagle reported the Senate met in August for its annual retreat and elected Professor Kent Scheller its vice chair and Professor Mellissa Hall its secretary. Dr. Peter Cashel-Cordo, a member of the Presidential Search and Screen Committee, discussed the expectations of faculty during the candidate interview process in January 2009. Ms. Cagle reported the Senate had a spirited discussion regarding support for the domestic partner benefits issue. Among topics the Senate will review this year are faculty communication, committee standing charges, and plans for the Spring faculty meeting in January.

President Hoops was pleased to report he welcomed Senator Richard Lugar’s Legislative Assistant, Amy Oberhelman, and his District Director, Larry Ordner, to campus in August. Their visit to USI was included in a week-long tour of Indiana by the Senator’s staff. Following a tour of campus, Ms. Oberhelman and Mr. Ordner met with University personnel to learn more about how direct appropriations supported by Senator Lugar helped with the establishment of the Center for Applied Research, the construction of the campus roadway project, and the engineering equipment for the Business and Engineering Center.

President Hoops asked Amy Beard, president of the Student Government Association (SGA), to share her report with the Board. Ms. Beard reported on SGA’s second retreat in July 2008, when the organization prepared its mission statement for approval by the General Assembly and discussed expectations and goals of the SGA administrative vice presidents. She noted that student appointments have been made to University committees for 2008-2009 and that a new system will provide efficient communication between the student appointees and the General Assembly. SGA sponsored a Welcome Week dinner for 800 freshman students. Ms. Beard reported SGA has excellent leadership and she looks forward to a successful year.

E. REVIEW AND ACCEPTANCE OF CONFLICT OF INTEREST DISCLOSURE STATEMENTS

Mr. Calloway called on Vice President Rozewski to review Conflict of Interest Disclosure Statements. Mr. Rozewski referred the Trustees to Revised Exhibit I-A, a summary of recent conflict of interest statements. He recommended Board approval to certify these statements have been reviewed and to authorize University staff to forward them to the State Board of Accounts as required by law.

On a motion by Ms. Johnson, seconded by Mr. Schenck, the Conflict of Interest Statements summarized in Exhibit I-A were approved.

SECTION II – FINANCIAL MATTERS

A. REPORT OF THE FINANCE/AUDIT COMMITTEE

The Finance/Audit Committee met prior to the meeting on September 3, 2008. Mr. Calloway called on Trustee MacDonell, who chaired the committee meeting in the absence of Chair Jeff Knight. Ms. MacDonell asked Vice President Rozewski to review the meeting for the Board of Trustees. Mr. Rozewski reported the committee approved recommendations to the Board of Trustees for approval of 2009-2010 housing rates and meal plan rates. These recommendations will be presented in Items B. and C. in this agenda. The committee approved budget appropriations for fiscal year 2007-2008. The members heard a report on the performance of the Voluntary Employees' Benefit Association (VEBA) Trust fund and approved a recommendation to the Board of Trustees to transfer funds to the VEBA Trust. This recommendation will be presented in Item D. Mr. Rozewski concluded by reporting the Finance/Audit Committee approved the selection of PNC Capital Markets as investment banker for the Business and Engineering Center Project and the University Center Expansion Project.

B. APPROVAL OF 2009-2010 HOUSING RATES

Mr. Calloway called on Vice President Rozewski, who reported the recommended increase in 2009-2010 student housing rates is three percent or \$50 per semester for the most prevalent accommodation, in which four students share a two-bedroom unit. Mr. Rozewski reported that this fall, as in the prior four years, an average of 2,700 students live in student housing – an occupancy rate of 96 percent. He recommended the approval of the housing rates, noting the increase is moderate in keeping with the University's mission of affordability while allowing for the operation a well-maintained student housing complex.

Upon the recommendation of the Finance/Audit Committee, the following 2009-2010 housing rates were approved.

		CURRENT RATE	PROPOSED RATE	EFFECTIVE DATE
<u>FALL OR SPRING SEMESTER</u>				
<u>McDONALD or O'DANIEL APARTMENT</u>				
Two Bedroom:	Two students per bedroom	\$1,675	\$1,725	7-01-09
	One student per bedroom	3,000	3,090	7-01-09
One Bedroom:	Two students	2,023	2,084	7-01-09
	One student	3,765	3,878	7-01-09
<u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u>				
One and Two Bedroom: Two students per bedroom		\$1,675	\$1,725	7-01-09

SUMMER SESSIONS

Summer session rates are indexed to semester rates. The rate for each five-week summer session is one-third of the academic year semester rate.

C. APPROVAL OF 2009-2010 MEAL PLAN RATES

Mr. Calloway asked Mr. Rozewski to review the recommendation of the Finance/Audit Committee for 2009-2010 meal plan rates. Mr. Rozewski noted the recommendation is to recast the three meal plans to a single price. The plans have different options regarding the number of actual meals included and the amount of

dining dollars (which can be spent on snacks or convenience store items in addition to meals). In the past, most buyers of the lower-priced meal plan added money to the plan throughout the semester; therefore, it is anticipated the proposed rate increase will not have a significant impact on actual spending patterns. Mr. Rozewski reported that approximately 2,050 students purchased meal plans in 2008-2009. A plan is required for all students who live in the residence halls (Newman Hall, Governors Hall, O'Bannon Hall, and Ruston Hall) and are optional for other students. The University contracts with Sodexo for food services.

Upon the recommendation of the Finance/Audit Committee, the following 2008-2010 meal plan rates were approved.

FALL OR SPRING SEMESTER

	CURRENT RATE	PROPOSED RATE	EFFECTIVE DATE
Red Eagle Plan	\$1,649	\$1,625	7-01-09
White Eagle Plan	1,610	\$1,625	7-01-09
Blue Eagle Plan	1,480	\$1,625	7-01-09

D. APPROVAL OF TRANSFER OF FUNDS TO THE VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST

The VEBA (Voluntary Employees' Benefit Association) Trust Investment Policy requires the approval of the Board of Trustees for a transfer of funds to the Trust. Mr. Calloway called on Mr. Rozewski to review a recommendation to transfer funds. Mr. Rozewski proposed a transfer of \$750,000 to the fund, noting the transfer is in addition to other payments and credits totaling over \$1.7 million in 2007-2008. The retiree health program cost has been comfortably accommodated in the operating budget for many years, and will continue to be accommodated in the budget for the foreseeable future. Building the VEBA Trust fund will allow the University to use income from the Trust to supplant the operating budget support for hits benefit. Mr. Rozewski noted it will likely take 10 to 15 years of steady contributions to achieve this goal

Upon a recommendation of the Finance/Audit Committee, a transfer of \$750,000 to the VEBA Trust was approved.

E. APPROVAL OF THE 2009-2011 OPERATING BUDGET REQUEST

Mr. Calloway called on Vice President Brinker for a review of the 2009-2011 Operating Budget Request. Ms. Brinker referred the Trustees to a copy of the complete Operating Budget Request in their handouts and to a summary of the request in Exhibit II-A. She reported the University submits its budget request every two years to the Commission for Higher Education and the State Budget Agency for consideration for funding by the Indiana General Assembly, and adheres to guidelines provided by the Commission and the Budget Agency in preparation of the request. For 2009-2011, emphasis in development of the budget was related to how the University's goals and objectives are aligned with the recently adopted Commission for Higher Education's document, *Reaching Higher: Strategic Directions in Higher Education*. The budget was developed in response to the critical needs of the University and the State and recognizes the needs of a growing and developing campus. It supports the University's commitment to provide an affordable quality education and addresses the operating needs of the institution. Vice President Brinker noted the narrative for the 2009-2011 Operating Budget Request provides background information about the University and addresses several areas included in the *Reaching Higher* documents:

1. Access;
2. Affordability;
3. College Preparation;
4. Accountability;
5. Student Success; and
6. the University's contribution to Indiana's economy.

Ms. Brinker reviewed the request for Base Adjustments, including funds for two new performance incentives (Degree Completion and On-Time Degree Completion) and for Enrollment Change funding provided for full-time equivalent Hoosier students at growing institutions, including USI. Also included in Base Adjustments is a Special Appropriation Adjustment to recognize and address the disparity in state funding per-FTE-Hoosier student.

The 2009-2011 operating budget instructions request that no assumption be made for maintenance/price increases for the biennium. The Commission for Higher Education will consider an increase for maintenance of current programs in its recommendation. Ms. Brinker noted the University continues to experience increased costs and will seek funding to maintain current programs and implement new initiatives.

Each institution is expected to submit Quality Improvement Initiatives that cannot be funded from University funds and are of benefit to the State. Ms. Brinker reviewed the STEM (Science, Technology, Engineering, and Mathematics) Teaching Improvement Institute, which will provide training and professional development to increase the number of qualified teachers in science, mathematics, and technology; and ADAPT (Affordable Degree Attainment through Professional Training), which will target those students most at-risk of failing to complete their degrees and provide intensive academic and career-preparatory services.

Vice President Brinker reviewed the request for one line item appropriation and explained this appropriation is funded separately from the University's Operating Budget Request. The line item request is for funding for Historic New Harmony. She reported the University also will request debt service appropriation in fee replacement for the Business and Engineering Center and the Teaching Theatre projects.

In September, President Hoops will present the University's 2009-2011 Capital and Operating Budget Requests to the Indiana Commission for Higher Education. Later in fall 2008, he will present to the State Budget Committee. Vice President Brinker recommended approval of the budget request.

On a motion by Mr. Ziemer, seconded by Ms. Johnson, the 2009-2011 Operating Budget Request, summarized in Exhibit II-A, was approved.

F. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Mr. Calloway called on Vice President Rozewski, who noted for the new members of the Board that each meeting agenda includes a report on the status of current construction projects. He referred the Trustees to Exhibit II-B, a summary of the cost and funding sources for each project. Mr. Rozewski introduced Director of Facilities Operation and Planning Steve Helfrich for the report.

Mr. Helfrich began by reporting on two completed projects. The McCutchan Art Center, the location of the Board meeting, is complete and provides an attractive and functional space for the display of art and for functions such as meetings. The other completed project is the Residence Life Community Center located in the McDonald West student housing complex. The Community Center includes outdoor seating and recreation areas, a lounge, a convenience store and pizza restaurant, and areas for laundry and offices.

Mr. Helfrich reported good progress on the Support Services Building project, which will provide space for maintenance shops and storeroom, mail and distribution services, a warehouse, and offices for Procurement and Risk Management and Physical Plant office staff. The expansion of the Recreation and Fitness Center is in progress with the steel structure erected. This addition is expected to be complete in summer 2009 and will double the square footage of the building.

Installation of a new 12.5kV electric service into campus from the Vectren substation is nearly complete. The new service gives the University the capacity to add campus facilities, including the Business and Engineering Center now under construction. To make space for the Business and Engineering Center, a new Ceramics Center will replace the existing facility. The new Ceramics Center features studio and lab space, a kiln room, and a clay storage room. An outdoor patio will provide space for new outdoor kilns. This project is expected to be complete in December 2008.

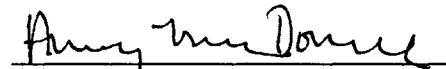
Site work for the Business and Engineering Center has begun. Excavation and installation of the footings and foundations will begin in late September. Mr. Helfrich reviewed the project underway to straighten the sharp curve on Bent Twig Lane to allow for the construction of the Business and Engineering Center. This road project is part of the Campus Entrance and Loop Road Project, which is still in the design phase. Construction on the project will begin immediately following the spring semester in 2009. The first phase of construction will be the roundabout at the main entrance to campus and improvements to Bent Twig Lane on the west side of campus.

The University is nearing the end of the design phase for the University Center Expansion Project, with construction expected to begin by early 2009. Mr. Helfrich noted the budget for the project is a concern because of increases in construction material costs. Alternates will be included in the project to help manage the final cost. These alternates include the east stair tower, utility tunnel extensions, an additional elevator, and a service corridor for meeting rooms.

Mr. Helfrich concluded by reporting on the expansion of the central heating and cooling plant. Because of the Business and Engineering Center project and future planned expansion, there is a need to add to the capacity of the cooling and heating plant, which requires an expansion of the existing plant. Construction of the addition is expected to begin in January 2009.

There being no further business, the meeting adjourned at 3:02 p.m.

Respectfully submitted,



Amy MacDonnell
Secretary

**Possible Conflict of Interest Disclosure Statements
Filed for 2008**

DATE	NAME/ TITLE	VENDOR/ CONTRACTOR	DESCRIPTION OF FINANCIAL INTEREST
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New Trustees' statements will be signed at Trustee Orientation on August 27, 2008.

A revised Exhibit I-A will be provided for the Board of Trustees' review and acceptance at its meeting on September 3, 2008.

UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2009-2011
REQUEST SUMMARY

	<u>2009-10</u>	<u>2009-11</u>
<u>EXPENDITURES</u>		
Expenditure Base	80,832,843	85,420,178
Base Adjustments		
A. Enrollment Change	542,500	0
B. Degree Completion	486,000	0
C. On-Time Degree Completion	358,835	
D. Appropriation Adjustment	2,000,000	1,000,000
Subtotal Before Debt Service	3,387,335	1,000,000
E. Debt Service	923,616	(360,950)
Reallocation of Student Fees	(923,616)	360,950
Subtotal Debt Service	0	0
Total Expenditure Base	84,220,178	86,420,178
Maintenance for Current Programs		
A. Personal Services 0%	0	0
B. Supplies & Expense 0%	0	0
C. Student Aid 0%	0	0
Subtotal Maintenance for Current Programs	0	0
Quality Improvement		
A. STEM Teaching Improvement Institute	700,000	700,000
B. ADAPT - Affordable Degree Attainment	500,000	500,000
Subtotal Quality Improvement	1,200,000	1,200,000
Total Budget Increases	4,587,335	2,200,000
Total Expenditure Request	85,420,178	87,620,178
<u>REVENUE</u>		
Student Fee Base	29,448,561	28,524,945
Fee Increase 0%	0	0
Transfer to Debt Service	(923,616)	360,950
Total Student Fees	28,524,945	28,885,895
Operating Appropriation Base	40,387,429	44,974,764
Appropriation Increase	4,587,335	2,200,000
Total Operating Appropriation	44,974,764	47,174,764
Fee Replacement Appropriation Base	10,996,853	11,920,469
Fee Replacement Change	923,616	(360,950)
Total Fee Replacement Appropriation	11,920,469	11,559,519
Total State Appropriation	56,895,233	58,734,283
Total Revenue Request	85,420,178	87,620,178

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET REQUEST 2009-2011
CONSOLIDATED PRIORITIZATION**

	<u>2009-10</u>	<u>2010-11</u>
<u>CONSOLIDATED EXPENDITURE BASE</u>		
Operating Expenditure Base	69,835,990	
Fee Replacement Appropriation	10,996,853	
TOTAL	80,832,843	
 <u>PRIORITIZATION OF INCREASES</u>		
A. Basic Needs		
1. Maintenance for Current Programs	0	0
2. Enrollment Change	542,500	0
3. Degree Completion	486,000	0
4. On-Time Degree Completion	358,835	0
5. Appropriation Adjustment	2,000,000	1,000,000
Total Basic Needs	3,387,335	1,000,000
 B. Quality Improvement Initiatives		
1. STEM Teaching Improvement Institute	700,000	700,000
2. ADAPT - Affordable Degree Attainment	500,000	500,000
Total Quality Improvement Initiatives	1,200,000	1,200,000
 C. Line Item Appropriation Request		
1. Historic New Harmony	38,048	38,716
Total Line Item Appropriation Request	38,048	38,716
 D. Capital Request		
1. Teaching Theatre - Replacement Project	15,000,000	
a. State Funding Bonding Authorization	8,000,000	
b. Non-State Funding Authorization	7,000,000	
2. General Repair & Rehabilitation and Infrastructure Funding	2,243,850	
Total Capital Request	17,243,850	

UNIVERSITY OF SOUTHERN INDIANA

PRIORITIES OF 2009-2011 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS

The 2009-2011 Operating Budget Request and Capital Improvement Budget Request for the University of Southern Indiana were developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, and social, educational, governmental, and health agencies.

The University faces many challenges as it continues to operate with the lowest tuition and fees of all four-year public universities in the state and the lowest appropriation per-FTE-Hoosier student of the four-year residential campuses. The financial support the University receives from the state is critical to provide the programs, facilities, and support services necessary to fund increases in enrollment and the educational requirements for a high quality educational experience.

The University of Southern Indiana seeks support from the State of Indiana for its 2009-2011 Operating and Capital Improvement Budget Requests to fund:

- ***Growth in Enrollment;***
- ***Current Programs and Services;***
- ***Degree Completion and On-Time Degree Completion;***
- ***Increased Appropriation Levels Due to Disparity in Funding;***
- ***Quality Improvement for:***
 - ***STEM Teaching Improvement Institute; and***
 - ***ADAPT - Affordable Degree Attainment through Professional Training;***
- ***Construction of the Teaching Theatre - Replacement Project; and***
- ***Repair and Rehabilitation Funding.***

To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2009-2011 Operating and Capital Improvement Budget Requests.

INSTITUTIONAL REQUEST

Full funding of the University of Southern Indiana's 2009-2011 Operating Budget Request is important to the ongoing growth and development of the campus. The University's budget request was developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, and social, educational, governmental, and health agencies.

The University has prioritized the needs it believes are required to maintain current programs, sustain the current pattern of enrollment and support increases in enrollment, and address critical state and regional needs. Details of the operating budget request are included in the *2009-2011 Operating Budget Request* and the supporting narrative and budget schedules.

BASIC NEEDS

	2009-2010	2010-2011
	<u>Request</u>	<u>Change</u>
Enrollment Change	\$ 542,500	
Degree Completion	486,000	
On-Time Degree Completion	358,835	
Appropriation Adjustment	\$ 2,000,000	\$1,000,000

- **Enrollment Change** - Funding for enrollment change continues to be a major component of the University's operating budget request. The University requests funding at \$3,500 per-FTE-Hoosier student based on the four-year rolling average for an additional 155 full-time-equivalent (FTE) students. The enrollment formula has been fully funded only twice in the past decade.

Because of growth in enrollment and because the enrollment formula has not been fully funded, the University's appropriation per-FTE-Hoosier student continues to fall behind. The funds provided through the enrollment funding formula are essential to provide the instruction and support needed for the additional students.

- **Degree Completion** - In 2007-2009, Indiana adopted the degree completion performance funding incentive. From 2001-2002 to 2006-2007, the average number of baccalaureate degrees conferred increased from 879 to 1,001. The University

requests funding at \$4,000 for an additional 122 degrees conferred based on the two-year average. A record number of students graduated in 2008, exceeding 1,700 for the first time in USI's history.

- **On-Time-Degree Completion** - In 2007-2009, Indiana adopted the on-time degree completion performance funding incentive. From 2001-2001 to 2003-2004, the number of baccalaureate degrees conferred in four years increased by 4.3 percent. The University requests funding at \$5,000 for an additional 85 degrees conferred in four years based on the change in cohort graduation rate
- **Appropriation Adjustment** - In past budget documents, the University of Southern Indiana has drawn attention to the large disparity in state funding per-FTE-Hoosier student received by each of the public baccalaureate-degree-granting institutions. The difference in state appropriations between institutions is significant. Addressing the problem requires a review of the differentials in funding. Included in the University's 2009-2011 Operating Budget Request is a request for a special appropriation adjustment in each year of the biennium to address the discrepancy in funding per-FTE-Hoosier student. The University requests an additional \$250 per-FTE-Hoosier student in 2009-2010 and an additional \$125 in 2010-2011.
- **Maintenance for Current Programs** - The 2009-2011 Operating Budget Instructions request that no assumption be made for Maintenance/Price increases for the biennium. It is important to note that even though no request was made for increased operating costs, the University continues to experience increased costs. In the University's 2009-2011 Operating Budget Request, the University seeks funding to maintain current programs and implement new initiatives during the biennium.

QUALITY IMPROVEMENT INITIATIVES

	2009-2010 <u>Request</u>	2010-2011 <u>Change</u>
STEM Teaching Improvement Institute	\$700,000	\$700,000
ADAPT - Affordable Degree Attainment through Professional Training	\$500,000	\$500,000

The University of Southern Indiana requests quality improvement funds to support the development of two new initiatives needed for the expansion of science, technology,

engineering, and mathematics education (STEM), to increase degree attainment, and to serve regional workforce and economic development needs. The support provided will assist the University in planning and implementing new programs and strengthen the institution's commitment to service to the region and the state. Both initiatives support the Indiana Commission for Higher Education's *2008 Reaching Higher Strategic Directions* documents. To develop new programs without start-up funding is a major challenge in light of the University's low institutional funding base. The investment of the state in specialized programs and initiatives allows the University of Southern Indiana to fulfill its mission to the region and the state.

STEM Teaching Improvement Institute

The University of Southern Indiana seeks funding to establish the *STEM Teaching Improvement Institute*. The Institute will provide pre-service and in-service training and professional development opportunities to increase the number of qualified teachers in science, mathematics, and technology disciplines in K-12 schools. It also will qualify these teachers for dual credit, concurrent enrollment, and Early College High School programs, thus expanding opportunities for students to earn college credit while in high school. While most participants will be teachers in southwest Indiana, the improvement in the cadre of STEM teachers will have a ripple effect throughout the state.

The University of Southern Indiana proposes to develop the *STEM Teaching Improvement Institute* to address factors involved in the supply of well-prepared, highly effective STEM teachers. This multi-faceted approach will address the quantity and quality of teachers through quality improvement initiatives targeted at pre-service and in-service teachers. Significant to the state's desire to expand dual and concurrent credit courses for high school students, the Institute will provide opportunities for high school teachers to validate completion of curricula designed to provide competencies to teach college level courses. A major component of the program will target recruitment of science and mathematics undergraduate majors who may not have considered teaching as a profession.

ADAPT - Affordable Degree Attainment through Professional Training

The University of Southern Indiana requests funding to develop the *ADAPT - Affordable Degree Attainment through Professional Training* program. The mission of the *ADAPT* program is to wrap intensive academic and career-preparatory services around those students most at-risk of failing to complete their degrees, either due to lower socio-economic status, lack

of adequate academic preparation, or simply because their personal financial situation requires them to work too many hours to make adequate yearly progress toward their degree.

The specific objectives of the *ADAPT* program are to:

- improve the quality and quantity of on-campus work experiences;
- provide professional training for student workers;
- provide personalized academic coaching for at-risk students;
- successfully retain a larger share of working students;
- prepare a more desirable, professional workforce in the region;
- recruit and retain a larger number of 21st Century Scholars; and
- increase degree completion rates for working students.

The development of *ADAPT* will allow USI to play a leadership role in workforce development, as well as dramatically increase the success rates of this population of students.

LINE ITEM APPROPRIATION REQUEST

The University's 2009-2011 Operating Budget Request includes one line item appropriation for Historic New Harmony.

	2009-2010 <u>Request</u>	2010-2011 <u>Request</u>
Historic New Harmony		
Base Appropriation	\$614,536	\$653,252

The University requests continued funding of the line item appropriation for Historic New Harmony in the 2009-2011 biennium to support the preservation, education, and interpretive programs of this state and national treasure.

CAPITAL BUDGET REQUEST

The University of Southern Indiana requests bonding authorization for one capital project and full funding of the General Repair and Rehabilitation and Infrastructure during the 2009-2011 biennium.

Teaching Theatre – Replacement Project

\$15,000,000

The University proposes construction of a \$15,000,000 Teaching Theatre to replace the current theatre, costume shop, and scene shop located approximately four miles from campus. The University seeks \$8,000,000 in bonding authorization and \$7,000,000 in authorization only for the construction of a new on-campus facility.

General Repair and Rehabilitation and Infrastructure

\$2,243,850

The University requests full funding of the General Repair and Rehabilitation and Infrastructure formulas to maintain existing facilities, including the infrastructure which supports these facilities, in both years of the biennium. Several general repair and rehabilitation projects totaling \$2,243,850 are planned for completion in the 2009-2011 biennium.

CONCLUSION

The University of Southern Indiana requests support from the State of Indiana for its 2009-2011 Operating and Capital Improvement Budget Requests. The funding requested to support growth in enrollment, degree completion, on-time degree completion, quality improvement initiatives, one capital project, and repair and rehabilitation projects is essential for the University of Southern Indiana to serve the southern Indiana region and to help achieve the goals of the state.

University of Southern Indiana Board of Trustees

**Summary
Current Construction Projects
September 3, 2008**

Projects under Construction

McCutchan Art Center

Project Cost		\$ 1,125,000
Funding Sources:		
Kenneth P. McCutchan Fund	\$ 640,000	
Academic Initiative Fund	300,000	
USI Foundation	185,000	

The Community Center

Project Cost		\$ 1,500,000
Funding Source: Housing Reserve		

Support Services Building

Project Cost		\$ 2,830,831
Funding Sources:		
Business and Engineering Center Bond Issue	\$1,816,356	
David L. Rice Library Bond Issue	635,000	
Transportation Reserve	257,475	
Technology Initiatives Reserve	122,000	

Recreation and Fitness Center Renovation

Project Cost		\$ 9,120,000
Funding Sources:		
Reserve	\$1,260,000	
Student Services Fee	125,000	
Student Activity Fee	360,000	
Student Services Operations	125,000	
Bond Issue (Repaid with Student Fees)	7,250,000	

12.5 kV Electric Service Installation

Project Cost		\$ 975,316
Funding Sources:		
General R & R Appropriation	\$ 700,000	
Energy Management System Reserve	275,316	

Ceramics Center Relocation

Project Cost		\$ 1,009,700
Funding Sources:		
Business and Engineering Center Bond Issue	\$ 900,000	
Special Projects Reserve	109,700	

Wright Administration Building - New Roof System		
Project Cost		\$ 174,700
Funding Source: General R & R Appropriation		
Science Center Renovation – Phase II		
Project Cost		\$ 715,250
Funding Sources:		
General R & R Appropriation	\$ 462,993	
Special Project Reserve	252,257	
Science Center Renovation – Phase III		
Project Cost		\$ 700,000
Funding Sources:		
General R & R Appropriation	\$ 500,000	
Special Project Reserve	200,000	
Business and Engineering Center		
Project Cost		\$31,946,069
Funding Source: Bond Issue (Repaid with Fee Replacement Appropriation)		

Projects in Design

Campus Entrance and Loop Road Construction		
Project Cost – Phase I		\$ 3,825,892
Funding Sources:		
David L. Rice Library Bond Issue	\$2,000,000	
Federal Direct Appropriation Funding FY2005	1,475,892	
Federal Direct Appropriation Funding FY2008	350,000	
University Center Expansion		
Project Cost		\$17,650,000
Funding Sources:		
Bond Issue (Repaid with Student Fees)	\$13,750,000	
David L. Rice Library Bond Issue	800,000	
Extended Services Fund	650,000	
Bookstore Reserve	1,000,000	
University Center Reserve	1,450,000	
Central Heating and Cooling Plant Expansion		
Project Cost		\$ 750,000
Funding Source: Business and Engineering Center Bond Issue		