

MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

November 1, 2001

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The University of Southern Indiana Board of Trustees met in regular session on Thursday, November 1, 2001, in the University Center Conference Center. Present were trustees Bruce Baker, Louise Bruce, Patrick Hoehn, David Huber, Walter Jermakowicz, Tina Kern, Harolyn Torain, and James Will Sr. Also attending were President H. Ray Hoops; Vice Presidents John Byrd, Robert Reid, Richard Schmidt, and Sherrienne Standley; Faculty Senate Chair Wayne Rinks; and Student Government Association President Rick Hudson.

There being a quorum present, the meeting was called to order at 10:00 a.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF SEPTEMBER 6, 2001 MEETING

On a motion by Mr. Huber, seconded by Ms. Kern, the minutes of the September 6, 2001, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Thursday, January 10, 2001, in Indianapolis.

C. PRESIDENT'S REPORT

President Hoops began his report by noting that since the Board of Trustees last met, the events of September 11 have dramatically altered our lives. He commended the University family for its response to this national tragedy. Many of the University's faculty members have been called upon to give expert insights into a broad range of issues -- the politics and history of the Middle East, the psychology of terrorism, and the ethics of our nation's response -- among others. A Counseling Center staff member spent two weeks working in the relief effort in Manhattan. Dr. Hoops remarked that a university has an important role to play as the community and nation seek to return to some sense of normality -- it is the University's job to foster understanding, to turn out the leaders needed in a national crisis, and to be a voice of reason and moderation as our leaders bring the responsible parties to justice. President Hoops noted that the trustees can be proud of the way the USI community has pulled together to form a shield against hate, prejudice, and injustice.

Dr. Hoops reported that the University was saddened by the deaths in October of two USI students. Jeremy Weil, a third-year art major, drowned while on a trip to Florida; and Jennifer Alexander, a freshman from Richmond, Indiana, was killed when a car in which she was riding was struck from the rear. He expressed deepest sympathies to the families and friends of these cherished members of the University community, and expressed appreciation to all those who represented the University so ably in expressing our concern.

President Hoops called on Student Government Association president Rick Hudson for a report. Mr. Hudson reported that SGA is currently responding to student concerns related to the shuttle system, parking, sidewalks, and technology. He reported on SGA's Eagle Athletic Support Committee and its support of the soccer and volleyball teams. Through the Student Organization Support Grant, Mr. Hudson reported, SGA has funded a number of recent events, including the September Smash concert and a Mid-term Relaxation Night. He noted that four USI students attended the National Leadership Conference on Student Government in St. Louis, Missouri, in October. Mr. Hudson was pleased to report on a very successful National Collegiate Alcohol Awareness Week sponsored by SGA that included a candlelight walk across campus and a speech from Kelly Craig, a USI student who was paralyzed in an automobile accident in 1999.

Dr. Hoops reported that more than 450 people -- students and their families -- registered for USI Family Weekend, which was held the first weekend in October. A variety of activities was planned for the families,

including programs on the history of USI, mini classes taught by faculty, the Masters Golf Scramble, a coffeehouse, and a picnic in conjunction with the USI soccer matches.

He noted that the Eagle Gran Prix bicycle race returned to the USI campus after a four-year respite. Thirteen men's teams, six women's teams, and four co-ed teams were entered in the event. Several other student groups prepared and served food for the participants and spectators.

President Hoops told the trustees that the Activities Programming Board has presented several educational and entertainment programs already this fall. Coming events include the Fall Formal and Homecoming.

He also reported that the Student Development staff continues to work to improve ways USI serves students and extracurricular interests. To that end, the student organization registration process has been improved, and there now are over 80 student organizations registered.

He was pleased to report that USI had more than 565 students, employees, family members, alumni, and friends on its team in the Susan G. Komen Race for Cure in September. The University had the second largest team in the event and won the award for the fastest-growing team (marking a 600 percent increase over last year), and the Cyber Award for the largest number of participants registered on the internet. This was a cooperative effort of the Intramural and Recreational Staff and the staff in the Advancement and Student Affairs vice presidents' offices.

He commented on the Health Professions Career Expo was held in mid-October, sponsored by the Office of Placement and Career Services. Fifty organizations attended, an increase of 16 over last year. Although most participants were from the tri-state, health care providers from as far away as Lake County, Indiana, and Lexington, Kentucky, attended.

The President noted that CareerSearch 2001, the joint job and graduate school fair that USI co-sponsors with the University of Evansville, is scheduled for Monday, November 12. Sixty-six organizations already are registered, compared to 81 who actually attended in 2000. Since one third of the employers who participate in campus recruiting programs nationally indicate that their college recruiting programs have been negatively affected by the events of September 11, USI is pleased that it continues to receive such strong support from its employer partners.

He also noted that the Financial Aid staff members continue their public education efforts, presenting an Early Awareness Program, and leading training programs for their counterparts from other Indiana colleges in support of the Indiana Student Financial Aid Association. In November, Dr. Hoops reported, USI will host a financial aid workshop for high school counselors and others who need an annual update on the ever-changing financial aid process. This workshop is co-sponsored by the State Student Assistance Commission of Indiana.

President Hoops reported that he and others, including trustee David Huber, attended the 15th anniversary celebration of Historic Southern Indiana. He noted that it was a pleasure to congratulate the volunteers and community members from across southern Indiana who have made this USI outreach program so successful.

In October, local city, county, and state officeholders attended a dinner hosted by the University. President Hoops remarked that this event provided an opportunity to bring our elected officials up to date about new developments on campus, ongoing university projects, new academic programs, and future plans for the campus.

Dr. Hoops told the trustees that more than 80 psychology professors from the eastern United States attended the 18th annual Mid America Conference for Teachers of Psychology at USI in October. Founded at USI, this regional conference, which aims to improve the teaching of psychology, has become a model for other regions of the United States. Dr. Hoops noted that it is a collaborative effort of Extended Services and the USI Psychology Department.

He reported that classrooms in the Children's Center addition opened September 10, serving children from age two to kindergarten as well as several enrolled in the Head Start program. The federal Child Care Access Means Parents in School grant was increased from \$28,000 to \$32,000 for each of the final two years of the four-year project. The grant project provides tuition assistance for children of students on Pell Grants and enables the Center to be open during evening hours.

President Hoops was happy to announce that USI swept the community-wide Operation City Beautiful awards, being named Business of the Year and having two of its Adopt-a-Spot volunteers – alumna Debbie Goedde and her husband Bob -- win for the best spot in the community. In addition, he announced that Vice President Sherrienne Standley was awarded a lifetime membership in recognition of her work with Operation City Beautiful since 1985. The Business of the Year award not only recognized USI's grounds staff's superb efforts for beautifying the campus, but also the University's long-term support of OCB's educational programs and programs such as the annual Landscape Symposium and the Tour de Bloom bicycle event, which was begun on our campus.

He extended congratulations to Director of Career Services Marilyn Schmidt, who recently was honored by the Midwest Cooperative Education and Internship Association with the presentation of the E. Sam Sovilla Educator of the Year Award. The award is named for one of the association's most active members in recognition of leadership at the state, national, and regional levels.

Dr. Hoops was pleased to announce that Indiana's Outstanding Accounting Educator is Dr. Craig Ehlen, associate professor of accounting, who was recognized by the Indiana CPA Society. The award recognizes an accounting professor who exhibits excellence in classroom teaching and motivating students in an Indiana university, and who has made contributions to the CPA profession.

Dr. Hoops reported that alumnus Dan Brummet, assistant director of *The Young and the Restless* and president/CEO of MDH Productions, presented one of his twelve Emmy statuettes to USI in October. Brummet, who attended USI in the seventies, said he hopes the Emmy will motivate USI students to achieve at their highest levels and to set lofty goals for themselves. He praised USI faculty for the care they give to shaping students' lives and careers, and said that the new Scripps Howard Video Production Complex is the finest university teaching studio of its kind in the nation. The president remarked that this underscores again how important private support is for our campus – without the Scripps Howard grant, this praise would not be possible.

President Hoops noted that beginning a new job is exciting, but can be a bit overwhelming. To help new employees become a part of the University family, Staff Council and the Human Resources Department created the USI Employee Ambassador Program. He reported that this is a program designed to help new staff members become familiar with campus and to provide ongoing support for new employees. Each new staff person is assigned a contact person who is available to answer questions and be a resource person for the new employee. Over 30 new support staff members have participated in the program in the past few months.

He also reported that Advanced Connections II is a customer service workshop offered through the Human Resources Employee Training and Development Program and partially funded through the Lilly Grant. The program was developed by a team of USI employees and focuses on advanced service skills, teamwork, problem prevention, and other topics that will help USI move to a higher level of service excellence. Ten to twelve workshops will be offered each semester and will be open to all employees. Dr. Hoops reported that to date, 58 faculty, administrators, and staff have attended the workshops and have become part of the select group that will raise the bar on service standards at USI.

President Hoops called on Vice President Reid, who noted that a grant received several years ago from the Lilly Endowment has allowed the University to focus on improving student graduation rates. He introduced Assistant Vice President for Academic Affairs, Charles Harrington, who presented an overview of the Lilly Retention Initiatives and the success of programs designed to improve student orientation, advising, registration, and tutoring. He reported that the Lilly initiatives have led to other student programs, including the Achieve Program, subject-based tutoring, and a new faculty orientation/workshop program. He noted that a result of the initiatives is the change in the number of graduates, which has increased approximately 10 percent each year in the last several years. Dr. Harrington remarked that a key to future success is the responsibility of the University to respond to the change in student expectation. He noted that student expectation, engagement, and experience are key factors in achieving a successful undergraduate experience at USI, and that the University continues to assess student expectation and study ways to respond.

President Hoops pointed out the copy of the latest *Southern Indiana Review* in each trustee's packet, and noted that it is an excellent literary periodical that reflects the quality of our efforts in the School of Liberal Arts.

He ended the President's Report by noting that each trustee received a copy of the University's position statement on I-69 and a loop road to connect western Vanderburgh County, eastern Posey County, and Henderson County, Kentucky with I-164 and a new interstate connection. He reported that public hearings will be held in Evansville November 14 and that USI expects to make its voice heard.

D. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

President Hoops called on Mr. Baker, who reported that the Long Range Planning Committee met prior to the board meeting. Ed Jones, Dean of Extended Services, presented a report on charter schools. Discussion regarding charter schools will continue at a future meeting of the Board of Trustees. Following its meeting, the committee toured the Scripps Howard Video Production Complex in the Liberal Arts Center.

SECTION II - FINANCIAL MATTERS

A. ANNUAL REPORT ON STUDENT FINANCIAL ASSISTANCE

James Patton, Director of Student Financial Assistance, presented an annual report on student financial aid programs administered during the 2000-2001 fiscal year. Mr. Patton reported that the Student Financial Assistance Office served 10,877 students and prospective students in 2000-2001. He reported that the University administered 14,925 awards during the fiscal year. Other significant information is included in Mr. Patton's report in Exhibit II-A.

B. REPORT OF THE CONSTRUCTION COMMITTEE

Mr. Huber reported that the Construction Committee met prior to the meeting and approved bids for miscellaneous improvements related to the construction of the Science and Education Center and for the construction of a greenhouse for the Science and Education Center. The committee discussed the process for selection of a design team for the Library Expansion Project.

C. REPORT OF THE FINANCE COMMITTEE

Mr. Huber reported that the Finance Committee met prior to the meeting, reviewed the 2001 audited financial statements, and approved budget appropriations, adjustments, and transfers.

D. APPROVAL TO AUTHORIZE REQUEST FOR PROPOSALS FOR THE LIBRARY EXPANSION PROJECT

The University's 2001-03 capital budget included a request for funds for a Library/Classroom Expansion Project. The 2001 General Assembly approved planning funds for the project and the University's request for construction funds will be a high priority in the next capital budget request. Therefore, to begin the process, a Request for Qualifications (RFQ) for architectural and engineering services has been issued.

On a motion by Mr. Huber, seconded by Mr. Baker, the following resolution was approved.

WHEREAS, the Board of Trustees wishes to proceed with plans for the Library/Classroom Expansion Project;

NOW, THEREFORE, BE IT RESOLVED that the Construction Committee be authorized to evaluate responses to the Request for Qualifications and select firms for further consideration; and

FURTHER RESOLVED that the Construction Committee be authorized to issue a Request for Proposal (RFP) for architectural and engineering services for the Library/Classroom Expansion Project, evaluate responses to the RFP, interview representatives of the firms selected for further consideration, and present a recommendation to the Board of Trustees to accept a proposal or to reject all proposals.

E. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Steve Helfrich, Director of Facilities Operations and Planning, reported on current construction projects. Completed projects related to the construction of the Science and Education Center include relocation of the roadway, lake improvements, central plant additions, and the installation of piping in the utility tunnel. Mr. Helfrich reported that the construction of the Science and Education Center is progressing on schedule. He noted that the valley parking lot is near completion and will open within a few weeks.

F. APPROVAL OF ANTHEM BLUE CROSS/BLUE SHIELD GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES

The University of Southern Indiana offers two health insurance programs through Anthem Blue Cross/Blue Shield - the Blue Traditional Plan (Indemnity) and the Blue Access Plan (PPN).

In 2000, the University implemented the deposit premium financial arrangement to minimize the impact of the 2000 renewal rates. The University proposes to continue the deposit premium financial arrangement, a cash flow model in which the University retains a reserve account and remits a portion of the monthly premium to Anthem. If expenses exceed the remitted amount, the University agrees to remit up to the full

premium amount. The advantage of this arrangement is that the favorable cash flow associated with future underwriting gains is advanced to the University prior to the annual settlement. If underwriting gains do not occur, or are less than the amount of premium not paid, the University is not responsible for paying expenses above the full premium fee. The 2002 premium rates for the Anthem Blue Cross/Blue Shield Blue Traditional and Blue Access health insurance plans were established using the deposit premium financial arrangement.

A comprehensive review of claims from both Anthem health plans indicates medical and drug claims totaled 74.1 percent of paid premiums under the deposit premium arrangement, for an underwriting gain of 3.81 percent. Anthem projects an increase of approximately 6 percent in claims in 2002 based on trend factors of 16.5 percent for medical and 26 percent for drugs.

BLUE TRADITIONAL PLAN – (INDEMNITY)

The following Anthem Blue Cross/Blue Shield health insurance monthly premium rates for the Blue Traditional Plan have been quoted for a twelve-month period beginning January 1, 2002.

The medical premium rates from Anthem Blue Cross/Blue Shield for 2002 reflect a 7.1 percent rate increase for single and family memberships and an 8 percent rate increase for retiree (over 65) memberships.

Although there are no recommended plan design changes, there are two benefit changes mandated by State Law to take effect on January 1, 2002:

- Coverage for services related to Pervasive Developmental Disorders such as Asperger's syndrome and autism
- Coverage for infant examinations for the detection of various disorders such as Phenylketonuria and Hypothyroidism

The twelve-month renewal rates effective January 1, 2002, for Health Resources, Inc. dental insurance reflect a 4 percent rate increase for single memberships and a 6 percent rate increase for family memberships. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures effective January 1, 2002.

The 2002 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield - Blue Traditional Plan and Health Resources, Inc. provide the primary health/dental insurance for 283 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

On a motion by Mrs. Torain, seconded by Mrs. Bruce, the Anthem Blue Cross/Blue Shield – Blue Traditional Plan and Health Resources, Inc. (item F); the Anthem Blue Cross/Blue Shield Blue Access Plan and Health Resources, Inc. (item F); the master policies with Welborn HMO and Health Resources, Inc. (item G); and the administrative arrangement with BKD for the Section 125 Flexible Benefit Plan (item H) were approved.

**2002 MONTHLY PREMIUM RATES
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE TRADITIONAL PLAN**

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2002 TOTAL MONTHLY PREMIUM</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>
Single	\$281.36	\$19.64	\$ 8.50	\$309.50	\$290.09
Family	\$726.65	\$50.76	\$22.00	\$799.41	\$748.12
Over 65 (Retired)	\$240.33	\$19.64	\$ 8.50	\$268.47	\$249.91

BLUE ACCESS PLAN – (PREMIUM PREFERRED NETWORK: PPN)

The Anthem Blue Cross/Blue Shield - Blue Access Plan provides employees with a second option in their selection of medical insurance plans. The Blue Access Plan is designed with elements of a managed care plan as an incentive to reduce medical costs. The Blue Access Plan was first offered with the 1999 renewal. The following Anthem Blue Cross/Blue Shield health insurance monthly premium rates for the Blue Access Plan have been quoted for a twelve-month period beginning January 1, 2002.

The medical premium rates from Anthem Blue Cross/Blue Shield for 2002 reflect a 6 percent rate increase for single and family memberships and an 8 percent rate increase for retiree (over 65) memberships.

Although there are no recommended plan design changes, there are two benefit changes mandated by State Law to take effect on January 1, 2002:

- Coverage for services related to Pervasive Developmental Disorders such as Asperger's syndrome and autism
- Coverage for infant examinations for the detection of various disorders such as Phenylketonuria and Hypothyroidism

The twelve-month renewal rates effective January 1, 2002, for Health Resources, Inc. dental insurance reflect a 4 percent rate increase for single memberships and a 6 percent rate increase for family memberships. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures effective January 1, 2002.

The 2002 insurance rates include a contribution for funding the liability for post-retirement benefits.

Anthem Blue Cross/Blue Shield - Blue Access Plan and Health Resources, Inc. provide the primary health/dental insurance for 227 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

On a motion by Mrs. Torain, seconded by Mrs. Bruce, the Anthem Blue Cross/Blue Shield – Blue Traditional Plan and Health Resources, Inc. (item F); the Anthem Blue Cross/Blue Shield Blue Access Plan and Health Resources, Inc. (item F); the master policies with Welborn HMO and Health Resources, Inc. (item G); and the administrative arrangement with BKD for the Section 125 Flexible Benefit Plan (item H) were approved.

**2002 MONTHLY PREMIUM RATES
ANTHEM BLUE CROSS/BLUE SHIELD – BLUE ACCESS PLAN**

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2002 TOTAL MONTHLY PREMIUM</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>
Single	\$234.94	\$19.64	\$ 8.50	\$263.08	\$249.02
Family	\$606.68	\$50.76	\$22.00	\$679.44	\$642.22
Over 65 (Retired)	\$201.69	\$19.64	\$ 8.50	\$229.83	\$214.13

G. APPROVAL OF WELBORN HMO GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES

The University of Southern Indiana has offered Welborn HMO/Health Resources, Inc. as an alternative health/dental benefit program since October 1988. Welborn HMO is administered locally and currently provides services to approximately 40,000 members in the local area.

The quoted premium rates effective for a twelve-month period beginning January 1, 2002, reflect a 4 percent rate increase for single and family coverage and a 10.22 percent rate increase for retirees (over 65).

There is one plan design change proposed by Welborn Health Plans and the University:

- The co-payment for refills of selected maintenance drugs will increase as follows:

31-60 day supply	from \$8 to \$10 for generic drugs from \$24 to \$30 for preferred brand drugs from \$40 to \$50 for non-preferred brand drugs
61-90 day supply	from \$12 to \$15 for generic drugs from \$36 to \$45 for preferred brand drugs from \$60 to \$75 for non-preferred brand drugs

The co-payments for drugs up to a 30 day supply will remain at the 2001 level of \$5/\$15/\$25.

The twelve-month renewal rates effective January 1, 2002, for Health Resources, Inc. dental insurance reflect a 4 percent rate increase for single memberships and a 6 percent rate increase for family memberships. The renewal rate is the result of an increased number of claims for USI employees and dependents and an increase in dentists' fees and procedures effective January 1, 2002.

The 2002 insurance rates include a contribution for funding the liability for post-retirement benefits.

Welborn HMO and Health Resources, Inc. provide the primary health/dental insurance coverage for 281 employees and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

On a motion by Mrs. Torain, seconded by Mrs. Bruce, the Anthem Blue Cross/Blue Shield – Blue Traditional Plan and Health Resources, Inc. (item F); the Anthem Blue Cross/Blue Shield Blue Access Plan and Health Resources, Inc. (item F); the master policies with Welborn HMO and Health Resources, Inc. (item G); and the administrative arrangement with BKD for the Section 125 Flexible Benefit Plan (item H) were approved.

**2002 MONTHLY PREMIUM RATES
WELBORN HMO**

	<u>WELBORN MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>2002 TOTAL MONTHLY PREMIUM</u>	<u>2001 TOTAL MONTHLY PREMIUM</u>
Single	\$219.32	\$19.64	\$ 8.50	\$247.46	\$238.19
Family	\$567.82	\$50.76	\$22.00	\$640.58	\$615.67
Over 65 (Retired)	\$256.49	\$19.64	\$ 8.50	\$284.63	\$260.10

H. APPROVAL OF THE FLEXIBLE BENEFIT PLAN ADMINISTRATIVE FEE

The Section 125 Flexible Benefit Plan, which was implemented in 1990 and expanded in 1992, allows enrolled employees to pay medical insurance premiums, dependent care expenses, and uninsured medical expenses with pre-tax dollars. Participation in the program has been steady since its introduction. Approximately 25 percent of the eligible employees participate in the uninsured medical expense and dependent care reimbursement plans, and 99 percent of employees with medical insurance are enrolled in the premium-only portion of the plan.

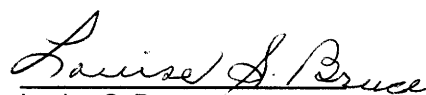
During the 2000 plan year, University savings were \$113,136 due to reduced FICA tax (Social Security and MQFE).

BKD (Baird, Kurtz and Dobson), formerly Olive LLP administers the plan for the University. The per-participant administrative fee of \$5.50 per month has been in effect since January 1, 1998. Renewal rates from Olive LLP reflect no rate increase for a twelve-month guarantee period effective January 1, 2002.

On a motion by Mrs. Torain, seconded by Mrs. Bruce, the Anthem Blue Cross/Blue Shield – Blue Traditional Plan and Health Resources, Inc. (item F); the Anthem Blue Cross/Blue Shield Blue Access Plan and Health Resources, Inc. (item F); the master policies with Welborn HMO and Health Resources, Inc. (item G); and the administrative arrangement with BKD for the Section 125 Flexible Benefit Plan (item H) were approved.

There being no further business, the meeting adjourned at 11:00 a.m.

Respectfully submitted,


Louise S. Bruce
Secretary

2000-2001 Student Financial Aid Programs Final Report

University of Southern Indiana

October 15, 2001

Executive Summary

Each fall a final report of prior year student financial aid activity is completed to assess trends and program initiatives. This information provides a basis on which to plan improvements to existing programs and develop proposals for new student financial assistance programs.

Significant findings contained in the 2000-2001 report are:

- The Student Financial Assistance Office served 10,877 students and prospective students, a decrease of 421 students (4%) over the previous year.
- FAFSA applications (for need-based assistance) were submitted by 7,938 individuals, a decrease of 682 applications (8%) over the previous year.
- Student Financial Assistance provided aid to 6,316 enrolled students, up 298 students (5%) over the previous year.
- 14,925 awards totaling \$29,765,331 were administered by the University.
- Total funding was up \$3,386,908 (13%).
- Federal student aid funding was up \$2,454,765 (14%).
- Indiana student aid funding was up \$92,650 (4%).
- University student aid funding was up \$491,117 (11%).
- Corporate and private student aid funding was up \$288,247 (20%).
- Gift aid (grants and scholarships) was up \$974,985 (9%).
- Self-help in the form of loans was up \$2,259,139 (16%).
- Self-help in the form of on-campus employment was up \$152,783 (12%).
- Among baccalaureate Stafford Loan borrowers in the Class of 2001, aggregate borrowing averaged \$13,222, up 3% when compared to the prior class. Among master's degree recipients, career borrowing averaged \$22,920, up 24% from the 2000 class.

2000-2001 Student Financial Aid Programs Final Report

University of Southern Indiana

October 15, 2001

Introduction

This report contains both summary and program-specific information for all student financial assistance programs administered by the University. Data used in compiling this report was obtained from the University's Student Information System on September 12, 2001. Student employment data was provided by Human Resources, Varsity Club expenditures were provided by the Business Office, and veterans' educational benefit information was provided by the Registrar's Office/Veteran's Affairs Office.

The Student Financial Assistance Office, the Veterans' Affairs Office, and the Career Services and Placement Office provide assistance to students in obtaining the types of financial aid included in this report.

Narrative

A total of 10,877 individuals used student financial assistance services. Students and prospective students submitted 7,938 applications for "need-based" financial aid. Both student contacts and need-based applications were down slightly from the prior year. This may be due to a more affluent student body or a greater reliance on the University's tuition payment plan.

Excluding regular student employment and veterans' educational benefits, a total of 6,316 students received one or more types of assistance. Of this number, 5,189 filed the Free Application for Federal Student Aid (FAFSA).

The University administered 14,925 awards for a total of \$29,765,331 in student financial assistance. The distribution of awards by funding source is given below.

<u>Sources</u>	<u># of Awards</u>	<u>Award Totals</u>	<u>% of Total Dollars</u>
Federal Government	6,788	\$20,043,637	67.5
State of Indiana	1,781	2,552,612	8.5
University of Southern Indiana	4,806	4,803,499	16.1
USI Foundation	463	511,869	1.7
USI Varsity Club	90	145,939	.5
Private Sources	<u>997</u>	<u>1,707,777</u>	<u>5.7</u>
	14,925	\$29,765,331	100

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Aggregate borrowing for Stafford Student Loan recipients among USI's Class of 2001 baccalaureate graduates averaged \$13,222, up 3.4% from the 2000 class average of \$12,785. Among year 2001 masters' degree recipients, aggregate borrowing averaged \$22,920, including both graduate and undergraduate borrowing. This figure represents an increase of 24% over the prior year.

The University's Stafford Loan default rate was 4.7% for fiscal year 1999, the most recent year available. A twelve-year summary of USI's Stafford Loan default rates appears below.

Stafford Loan Default Rates

1988	4.4%	1991	4.7%	1994	5.9%	1997	7.8%
1989	3.5%	1992	3.5%	1995	10.8%	1998	4.3%
1990	7.4%	1993	3.5%	1996	10.3%	1999	4.7%

In 2000-2001, 3,654 Stafford Loan borrowers filed 4,927 Stafford Loan requests. Many borrowers require multiple loans to cover the academic year (fall and spring) as well as summer. Others simply attempt to borrow conservatively, and find themselves coming back two, three, and sometimes four times to borrow additional amounts.

New Programs

Three new institutional scholarship programs, the Departmental Scholarship, the B/MD (Bachelor/Medical Doctor) Scholarship, and the Academic Achievement Award, were begun in 2000-2001. These awards are competitive and selection is by University scholarship committees or admission staff.

The Departmental Scholarship replaces both the Scholastic Excellence Award and the Academic Honors Diploma Grant, which are being phased out. In addition to an estimated 300 academic awards given in the past year, approximately 30 talent-based awards were available for art, theatre, and creative writing. Awards vary from \$500 to \$2,500 per year.

The B/MD Scholarship is designed to recruit outstanding pre-med students. Indiana University Medical School faculty members help select scholarship recipients for this program and students who successfully complete the program are guaranteed admission into the medical school. Awards average \$1,500 per year.

The Academic Achievement Award is given to selected community college graduates who are members in good standing of Phi Theta Kappa honor society. A maximum of 10 awards are available each year. Awards are valued at \$1000 per year.

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Conclusions

Financial aid resources are effectively utilized by the University to achieve the following objectives.

- 1) Provide monetary assistance to students for educational purposes
- 2) Assist students and families in financial planning for higher education.
- 3) Properly administer governmental, agency, University, and donor funding of student financial assistance programs.
- 4) Facilitate the recruitment and retention of students.
- 5) Implement new student financial assistance programs.
- 6) Improve communication, both external and internal, regarding financial aid programs.

Attachments

Table I summarizes all financial aid programs.

Table II provides an overview of the University's own student financial assistance programs.

TABLE I - SUMMARY OF STUDENT FINANCIAL AID PROGRAMS

October 15, 2001

	1998-99		1999-00		2000-01	
	# of Awards	Total Dollars	# of Awards	Total Dollars	# of Awards	Total Dollars
A. Federal Programs						
1. Pell Grants	1,941	\$ 3,260,282	1,840	\$ 3,241,794	1,909	\$ 3,593,609
2. Supplemental Grants (a)	343	218,107	253	243,239	316	214,949
3. Perkins Loans	15	23,450	11	22,900	15	23,815
4. Federal Work Study (b)	164	216,692	186	244,925	188	230,939
5. Stafford (Student) Loans	3,095	11,238,140	3,407	12,178,268	3,654	14,128,265
6. Parent PLUS Loans	306	1,073,657	312	1,197,770	442	1,347,004
7. Veterans' Educational Benefits	212	374,319	208	429,250	237	472,789
8. Graduate Nursing Stipend	<u>18</u>	<u>27,450</u>	<u>22</u>	<u>30,726</u>	<u>27</u>	<u>32,267</u>
Federal Totals	6,094	16,432,097	6,239	17,588,872	6,788	20,043,637
B. State Programs						
1. Higher Education Awards	1,359	1,754,907	1,298	1,918,931	1,207	1,905,490
2. Part-Time Higher Ed Awards	---	---	118	61,917	149	89,600
3. Hoosier Scholarships	15	7,500	18	9,000	19	9,500
4. 21 st Century Scholarships	244	349,193	287	324,312	288	351,206
5. Vocational Rehabilitation	85	183,499	74	120,142	67	127,714
6. State Work Study	1	396	2	1,064	4	2,033
7. Other State Scholarships	23	18,500	14	24,596	25	28,500
8. National Guard Supp. Grant	---	---	---	---	<u>22</u>	<u>38,569</u>
State Totals	1,727	2,313,995	1,811	2,459,962	1,781	2,552,612
C. Institutional Programs (See Table II)	4,208	3,854,516	4,581	4,312,382	4,806	4,803,499
D. USI Foundation Programs	432	499,627	429	478,024	463	511,867
E. USI Varsity Club Athletic Aid (c)	75	113,254	75	117,653	90	145,939
F. Corporate and Private Programs	<u>770</u>	<u>1,288,734</u>	<u>849</u>	<u>1,421,530</u>	<u>997</u>	<u>1,707,777</u>
Totals for All Programs	13,306	\$24,502,223	13,984	\$26,378,423	14,925	\$29,765,331

(a) Federal Supplemental Grants require 25% in matching funds. Matching is accomplished with the Indiana Higher Education Awards. Starting with the 2000-2001 year, only federal funds are included on this line.

(b) Federal Work Study wages include 25% institutional matching funds. Approximately 7% of total wages are spent on community service such as the America Reads Program.

(c) USI Varsity Club Athletic Aid includes funds transferred to the athletic department from special accounts in the USI Foundation but does not include athletically related Foundation scholarships paid directly to individual students.

TABLE II - Institutional Financial Aid Program Summary - October 15, 2001

	1998-99	1999-00	2000-01	Total Dollars
	# of Awards	# of Awards	# of Awards	
1. Academic Honors Diploma Grant	400	481	371	\$351,282
2. Academic Achievement Award	---	---	1	1,000
3. Academic Excellence Award	21	24	21	60,373
4. Athletic Grant-in-Aid (a)	178	168	164	396,047
5. B/MD Scholarship	---	---	3	4,504
6. Child of Disabled Veteran	218	198	190	363,359
7. Child of Employee Fee Remission	65	78	83	81,104
8. Departmental Scholarship	---	---	313	356,672
9. Employee Fee Remission	96	99	107	83,205
10. Fifth-Year Non-Resident Fee Remission	6	6	4	10,418
11. General Fee Remission (b)	324	300	344	127,461
12. Non-Resident Scholarship/Grant	149	243	298	658,614
13. Retired Individuals Fee Remission	7	16	7	2,514
14. Scholastic Excellence Award	617	503	272	371,411
15. Institutional Supplemental Grant	2	1	---	---
16. Resident Assistants Room/Board	55	53	42	117,748
17. Spouse of Employee Fee Remission	17	18	20	14,783
18. Spouse of Full-Time Student Remission	20	14	11	4,382
19. 21 st Century Textbook Awards	<u>75</u>	<u>136</u>	<u>125</u>	<u>22,900</u>
Fee Remit/Grant-in-Aid Subtotals	2,250	2,338	2,376	3,027,777
20. Short-Term Loans for Book and Supplies	957	1,276	1,378	527,747
21. Institutional Student Employment (c)	<u>1,001</u>	<u>967</u>	<u>1,052</u>	<u>1,247,975</u>
Totals for All Programs	4,208	4,581	4,806	\$4,803,499

(a) Athletic Grant-in-Aid includes tuition fee remission and payments for room, board, and textbooks.

(b) General Fee Remissions are given for English 490 tutors, student government officers, Harlaxton Study Abroad Grants, the College Achievement Program (CAP), graduate assistants, and international exchange students.

(c) The number of awards is estimated.

**Report to University of Southern Indiana Board of Trustees
November 1, 2001**

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: O'Bannon Hall

	<u>Description</u>	<u>Contractor</u>	<u>Amount</u>
GC-9	Changes in the scope of work and materials for several items during the construction of the building	Lichtenberger	\$15,463.00

PROJECT: Miscellaneous Improvements Related to the Construction of the Science and Education Center

	<u>Description</u>	<u>Contractor</u>	<u>Amount</u>
2.4	Replace soft sub base in existing roadway prior to paving with asphalt	Deig Brothers	\$ 4,242.62
2.5	Remove and replace cracked asphalt on existing roadway where new roadway meets existing	Deig Brothers	2,296.57
2.6	Remove unsuitable soil under new roadway at the north edge of the lake and install compacted fill	Deig Brothers	12,000.00
2.7	Pour concrete over high voltage electric service where uncovered in roadway	Deig Brothers	190.75
2.8	Modify Parking Lot G curbs, landscaping, and pavement to facilitate emergency vehicle access	Deig Brothers	9,735.00
2.9	Install additional curb inlet in roadway and lower two area drains	Deig Brothers	3,719.00
