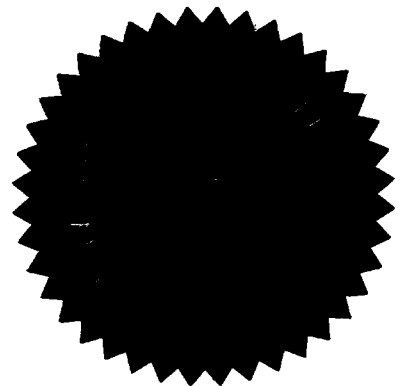


MINUTES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES
November 14, 2002



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

November 14, 2002

The University of Southern Indiana Board of Trustees met in regular session on Thursday, November 14, 2002, in the University Center, Carter Hall ABC. Present were Chair J. David Huber, Trustees Bruce H. Baker, Louise S. Bruce, G. Patrick Hoehn, Walter J. Jermakowicz III, and Tina M. Kern-Raibley. Also in attendance were President H. Ray Hoops, Vice President for Advancement Sherrienne M. Standley, Provost and Vice President for Academic Affairs Robert L. Reid, Vice President for Business Affairs Robert W. Ruble, Vice President for Student Affairs Robert W. Parrent, Vice President for Governmental Relations Cynthia S. Brinker, Student Government Association President Britney Gentry, and Faculty Senate Chair Christy Baker.

There being a quorum present, Mr. Huber called the meeting to order at 1:20 p.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF SEPTEMBER 5, 2002, MEETING

On a motion by Mrs. Kern-Raibley, seconded by Mr. Baker, the minutes of the September 5, 2002, 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 9, 2003, at the Adam's Mark Hotel in Indianapolis.

C. REPORT OF THE LONG-RANGE PLANNING COMMITTEE

The Long-Range Planning Committee met prior to the Board of Trustees meeting on November 14, 2002. Mr. Baker, chair of the Long-Range Planning Committee, said that a report was presented on the Bower-Surheinrich School of Education and Human Services on the programs offered by the school. He reported that Dean Pickering and his senior staff discussed the school's progress and programs, including social work, physical education, early childhood education, teacher education, and field experience.

D. PRESIDENT'S REPORT

President Hoops began his report by calling on Britney Gentry, President of the Student Government Association. Ms. Gentry reported on the activities sponsored by SGA during Alcohol Awareness Week in October. She reported that students and organizations continue to apply for Travel and Student Organizational Support Grants, and thanked the USI Foundation and Student Affairs for this opportunity. Ms. Gentry reported that SGA has five goals this year, including improvements to internet access in housing, transportation, the Eagle Access Card, and school spirit. The fifth goal is to have a prominent sign at the campus entrance. She noted that Vice President for Governmental Relations Cindy Brinker and Vice President for Business Affairs Robert Ruble will speak at upcoming meetings of SGA. She reported that SGA members, including she and student trustee Walter Jermakowicz, will attend the Indiana Commission for Higher Education Conference on November 22, 2002.

President Hoops reported that the University has presented its biennial budget request to the Commission for Higher Education and that the Commission has prepared recommendations to be presented to the State Budget Committee. He called on Vice President Brinker for an overview of those recommendations. Ms. Brinker compared the University's budget requests and the Commission's recommendations in the areas of Operating Budget; Economic Development Proposal; Capital Budget (Repair and Rehabilitation and Technology); Capital Budget (Facilities); and Line Item Initiatives. She noted that the enrollment formula is recommended by the Commission, but at a reduced amount. She reported that the Commission recommends no increase in Maintenance for Current Programs (Personal Service, Supplies and Expense, and Student Aid). The University's request for Quality Improvement Funds for engineering equipment and program needs is not recommended by the Commission; however, a new Economic Development Proposal includes funds that could

be used for equipment and program needs. Ms. Brinker reported that the Commission recommendation includes funds for Repair and Rehabilitation and Infrastructure. She noted that bonding authorization for the Library/Classroom Expansion is included in the Commission's recommendation, as is an authorization only (requiring no state funds) for the renovation of the University Center. The line item initiatives for Historic New Harmony and Lincoln Amphitheatre are included in the recommendation. Ms. Brinker concluded her report by noting that an additional line item included in the Commission recommendation is the USI/UE 2+2 Program, which will support University of Southern Indiana engineering students who transfer to the University of Evansville.

The president reported that additional lighting has been installed at the Broadway Recreation Complex and that this fall, 42 teams played softball and 46 teams played flag football in the evenings between 8:00 and 11:00 p.m. Together these teams involve nearly a thousand students and staff members are predicting an upswing in participation with the improved facilities.

He noted that the Office of Career Services and Placement sponsors an annual Health Professions Career Expo to bring students, graduate schools, and employers together. This year 224 students met with 49 employers or graduate schools from five states, and the overall evaluations of the event were very positive.

President Hoops called on Vice President Reid to introduce the academic presentation. Dr. Reid introduced Major Mark Weaver, who came to USI in Fall 2001 to begin the ROTC program. Major Weaver reported that the mission of ROTC is to select and train the future leaders of America and the United States Army and to provide unique educational opportunities to the USI community at large. He described the benefits offered to students and to the University by the ROTC program. Major Weaver presented an overview of the academic program required of ROTC enrollees as well as summer leadership activities and special events throughout each semester. He reported that enrollment has grown from 18 in Fall 2001 to 40 this semester, and that he expects an increase in overall enrollment and anticipates an annual commissioning class of seven to ten each year.

The president called on Vice President Reid for a report on the Academic Planning Council. Vice President Reid reported that the Academic Planning Council meets regularly to review program development and to maintain a 10-year academic plan for the institution. Dr. Reid reviewed the new academic plan and noted that most of the programs the council planned to develop during this biennium are now being offered. He reported that the Indiana Commission for Higher Education recently conducted an audit of programs that were planned and developed by state universities from 1992-95. The audit reviewed 115 programs to learn if the projected enrollments have been achieved. As a result, the Commission identified 29 programs that required additional review by Boards of Trustees because the programs had not grown as expected. He was pleased to report to the trustees that USI had no courses on the list, a result of the careful preparation and study done by the Academic Planning Council.

President Hoops introduced M. Edward Jones, Associate Vice President for Academic Affairs and Dean of Extended Services, for an update on Extended Services programs. Dr. Jones reported on the College Achievement Program (CAP), a partnership with area high schools that provides an opportunity for advanced high school students to concurrently enroll in both high school and college courses and to earn credit for those courses. Most CAP courses are taught in the high schools by teachers who are trained by USI faculty. An exception is a pilot program in its third year at South Spencer High School, in which 10 students are enrolled on-site at the high school and 15 students and a faculty member on campus interact with them by two-way live communication. Dr. Jones reported that CAP, which began in 1986, has been increasingly successful through the years. In Fall 2002, there are 263 enrollments for a total of 802 credit hours. Thirteen partner schools participate in twelve courses. He noted that CAP has been an excellent recruitment tool for the University and that since 1986, approximately 49 percent of College Achievement Program enrollees have continued enrollment in a degree program at USI. Dr. Jones reported that he expects to expand both the number of participating schools and the number of courses available as USI increases the availability of internet options for the program.

Dr. Jones continued with a report on Distance Education, which began as an outreach program, but has evolved into a mainstream program at the University. He noted that over the past eight years, the University has made a significant investment in instructional technology and distance education, which has had an impact on the teaching/learning process at USI. Part of the investment has been the addition of technical staff to support faculty and students in instructional technology use. The Center for Teaching and Learning and the Instructional Technology Services Department provide numerous faculty development opportunities throughout the year and a summer institute for faculty. As an indication of its success, Dr. Jones reported that 362 faculty have a site on Blackboard, the University's course management system. He reported that 958 courses have a

Blackboard site and that in Fall 2002, there are 1,803 students enrolled in distance education courses (an increase from 1,440 enrollments from Fall 2001). He reported that 1,104 students are taking distance education classes in addition to other courses, and that 454 students are enrolled only in distance education courses. He noted that the University expects that distance delivery will continue to expand as more programs are developed.

President Hoops announced that the University hosted several academic conferences this fall, including the Indiana College English Teachers Association and the 19th annual Midwest Conference of Teachers of Psychology, both held on campus. In addition, he noted that USI was the host institution for the national conference of the Association of Liberal and General Studies held in Louisville and that Dr. John Gottcent, who coordinates USI's Core Curriculum program, was conference chair.

The president remarked that the Tri State World Trade Council, an affiliated program of USI Extended Services, will host a program on the North American Free Trade Agreement in the month of November. An interactive video conference will connect the campus with U.S. Department of Commerce representatives in Canada and Mexico and will focus on greater involvement of Indiana businesses in NAFTA. He added that the University's partners in this endeavor are the Indiana and U.S. Commerce Departments, Toyota, Fifth Third Bank, and Bristol-Myers Squibb.

Dr. Hoops reported that the University was pleased to have Lt. Governor Joe Kernan and Indiana Department of Commerce Director Tom McKenna, along with several legislators, business leaders, and other southern Indiana public officials, on campus in September to announce that a regional office of the Indiana Department of Commerce will be housed on the USI campus, headed by Connie Fowler, an economic development specialist who has worked in similar programs in Louisville, Kentucky. He remarked that this program will coordinate with other economic development outreach programs of the University, such as the Tri State World Trade Council, the Southwestern Indiana Economic Development Commission, and Historic Southern Indiana.

Dr. Darrel Bigham and Historic Southern Indiana, reported President Hoops, continue to provide leadership to the Midwest project that is planning events for the bicentennial of the Lewis and Clark Expedition. Activities include curriculum development projects for Indiana schools, teacher training workshops, and community involvement programs. Most programs will begin in 2003.

President Hoops was pleased to report that USI was given the Family Friendly Workplace Award for Health and Benefits Programs in the largest employer category. Presented by the Evansville Area Human Resources Association, the Workforce Investment Board, and the U.S. Department of Labor, the award is given for leadership in developing workplaces that embrace family-friendly practices and diversity.

He announced that the Alcoa Foundation has recognized the University of Southern Indiana as an important partner in making our community a better place to live and work. As a part of the Alcoa Foundation's 50th Anniversary celebration, Alcoans around the world were asked to recommend organizations that contribute significantly to the quality of life in their communities. USI's nomination was based on a set of criteria designed to identify programs that exemplify best practice in nonprofit management. In recognition, USI will be listed on the Alcoa Foundation's 50th Anniversary website. President Hoops thanked trustee Bruce Baker for initiating this nomination.

Dr. Hoops reported that USI invited city, county, and state officeholders and candidates to the University this fall for an update about campus activities, future plans, and an overview of the biennial budget requests. He noted that this is an excellent opportunity for our officers and staff to meet with these governmental leaders.

He reported that 30 retired employees attended a luncheon at the University Home this fall to renew friendships and learn the news of the University. He noted that the University's long-time employees who have retired are very interested in new developments and changes on campus. They were given a tour and information on the Recreation and Fitness Center, which is available for their use.

In closing his report, President Hoops extended congratulations to State Representative Russ Stillwell, a USI alumnus, who has been elected majority leader in the Indiana House of Representatives.

SECTION II – FINANCIAL MATTERS

A. ANNUAL REPORT ON STUDENT FINANCIAL ASSISTANCE

Mr. Huber called on Vice President Parrent, who reported that the Board of Trustees annually delegates authority to the administration to award financial aid to students within the capabilities of the budget. Dr. Parrent introduced James Patton, Director of Student Financial Assistance, to present a report on the allocation of student aid during the 2001-2002 academic year (Exhibit II-A). Mr. Patton summarized the information in Exhibit II-A, noting that 11,745 students and prospective students were served by the Office of Student Financial Assistance in 2001-2002, total funding was up 11 percent from the previous year, and 15,480 awards totaling \$32,635,979 were administered by various offices of the University.

B. REPORT OF THE FINANCE COMMITTEE

Mr. Huber called on Mr. Hoehn for a report of the Finance Committee. He reported that the Finance Committee met on November 4, 2002, and approved budget appropriations, adjustments, and transfers.

Mr. Hoehn reminded the trustees that at its meeting on September 5, 2002, the Board of Trustees approved a resolution authorizing the Finance Committee to act on behalf of the Board to approve health insurance premium rates and the flexible benefit plan administrative fee and to report to the Board at its next regular meeting. He called on Vice President Brinker to review the 2003 Insurance Renewal in Exhibit II-B. Ms. Brinker reported on the insurance renewal process and the negotiation of benefit design changes in each plan. She reported that the Finance Committee approved the following recommendations at its November 4, 2002, meeting:

- Renewal of Master Policy contract with Anthem Blue Cross/Blue Shield – Blue Traditional and Blue Access Plans including plan design changes under the Deposit Premium Arrangement as outlined.
- Renewal of Master Policy contract with Welborn HMO including plan design changes as outlined.
- Renewal of Master Policy contract with Health Resources, Inc. as outlined.
- Renewal of flexible benefit plan administrative agreement with BKD as outlined.

C. UPDATE ON CURRENT CONSTRUCTION PROJECTS

Mr. Huber called on Vice President Ruble for an update on current construction projects. Dr. Ruble introduced Steve Helfrich, Director of Facilities Operations and Planning, who reported that the Science and Education Center project continues with the installation of windows, drywall, and ceramic tile in the Education Center (Unit B). Prime painting of the first and second levels of the Education Center is in progress. He reported that the Science Center (Unit A) is slightly behind in construction as planned with electrical and mechanical rough-in continuing and the installation of drywall on the third level. He noted that the completion of the three unfinished classrooms in the facility will be authorized soon at an approximate cost of \$110,000. The completion of the classrooms will be authorized by change orders of \$20,000 or less, with the exception of a change order from Premier Electric Company for approximately \$33,000. The Premier Electric change order will require board approval.

Mr. Helfrich noted that the round globe mercury vapor walkway lights on campus are being replaced with new metal halide lights, a change that has significantly increased the lighting levels on the walkways and crosswalks. He reported that in addition to their effectiveness, the new light fixtures are more energy efficient.

He reported on the nearly-completed walkway and trail leading from O'Daniel South Apartment Complex to Parking Lots A and B. Other projects reported by Mr. Helfrich are the addition of parking spaces at the Broadway Recreational Facility, installation of capacitors on the main electric feed lines to the campus, and the beginning of renovation work (Phase 1) at the Schnee-Ribeyre-Elliott House in New Harmony.

D. TOUR OF THE SCIENCE AND EDUCATION CENTER

Following adjournment of the meeting, the trustees were led on a tour of the Science and Education Center by Jerome R. Cain, Dean of the Pott School of Science and Engineering, and C. Thomas Pickering, Dean of the Bower-Surheinrich School of Education and Human Services.

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

On a motion by Mrs. Kern-Raibley, seconded by Mr. Baker, the following personnel actions were approved.

1. Retirement

Sharon M. Morrow, Instructor in English, has requested retirement effective May 11, 2003.

2. Early Retirement

Mary A. Schroeder, Assistant Professor of Communication Studies, in accordance with the early retirement policy, has requested early retirement effective May 9, 2004, including a half-time assignment with full pay for the period August 25, 2003 through May 9, 2004. Severance pay based on 37 years of service to the University will be paid as of June 30, 2004.

Ruth S. Tompkins, Associate Professor of Education, in accordance with the early retirement policy, has requested early retirement effective May 9, 2004, including leave with pay for the period of January 1, 2004 through May 9, 2004. Severance pay based on 15 years of service to the University will be paid as of June 30, 2004.

3. Emeritus Status

It was recommended and approved that the following faculty members be retired officially with the effective dates shown and that the appropriate emeritus titles, as indicated, be conferred:


Sharon M. Morrow, Instructor Emerita in English
15 years at USI, effective May 11, 2003

Mary A. Schroeder, Assistant Professor Emerita of Communication Studies
37 years at USI, effective May 9, 2004

Ruth S. Tompkins, Associate Professor Emerita of Education
15 years at USI, effective May 9, 2004

There being no further business, the meeting adjourned at 2:20 p.m. and the members took a tour of the Science and Education Center.

Respectfully submitted,


Louise S. Bruce
Secretary

2001-2002 Student Financial Aid Programs Final Report

University of Southern Indiana

September 30, 2002

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 2001-2002 report are:

- The Student Financial Assistance Office served 11,745 students and prospective students, an increase of 868 students (8%) over the previous year.
- 8,837 FAFSA applications (for need-based assistance) were submitted, an increase of 899 applications (11%) over the previous year.
- Student Financial Assistance provided aid to 6,563 enrolled students, up 247 students (4%) over the previous year.
- 15,480 awards totaling \$32,635,979 were administered by various offices of the University.
- Total funding was up \$3,363,287 (11%).
- Federal student aid funding was up \$2,517,479 (13%), most of which was gift aid.
- Indiana student aid funding was up \$187,587 (7%).
- University student aid funding was up \$291,571 (6%).
- Corporate and private student aid funding was up \$266,917 (21%).
- Gift aid (grants and scholarships) was up \$1,270,918 (11%).
- Self-help in the form of loans was up \$1,364,555 (8%).
- Self-help in the form of on-campus employment was up \$235,175 (16%).
- Among baccalaureate Stafford Loan borrowers in the Class of 2002, total borrowing averaged \$15,075, up 12% when compared to the prior class. Among master's degree recipients, career borrowing averaged \$23,045, virtually unchanged from the prior year.

2001-2002 Student Financial Aid Programs Final Report

University of Southern Indiana

September 30, 2002

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 3, 2002. 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/Veterans' 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 11,745 individuals used student financial assistance services (student contacts). Students and prospective students submitted 8,837 applications for "need-based" financial aid. Student contacts were up 8 percent and need-based applications were up 11 percent over the prior year.

Excluding regular student employment and veterans' educational benefits, a total of 6,563 students received one or more types of assistance. Of this number, 5,477 filed the Free Application for Federal Student Aid (FAFSA). Both figures represent an increase over the 2000-2001 year.

Various University offices administered 15,480 awards for a total of \$32,665,979 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	7,148	\$22,560,729	69.1
State of Indiana	1,859	2,740,199	8.4
University of Southern Indiana	4,652	5,095,070	15.6
USI Foundation	497	568,849	1.8
USI Varsity Club	108	189,077	.6
Private Sources	<u>1,216</u>	<u>1,482,055</u>	<u>4.5</u>
	15,480	\$32,635,979	100

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Growth trends in student financial assistance are summarized below.

<u>Activity Indicators</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Student Contacts	+10%	-4%	+8%
Need-based Applications	+13	-8	+11
Number of Awards	+5	+7	+4
Total Dollar Volume	+8	+13	+11

Student financial assistance may be categorized by aid type: grants; loans; and on-campus employment. In 2001-2002, spending was distributed as follows:

<u>Categories</u>	<u># of Awards</u>	<u>Award Totals</u>	<u>%Total Dollars</u>
Grants (includes scholarships)	8,558	\$12,960,796	39.7
Loans (includes short-term)	5,764	17,959,401	55.0
On-Campus Employment	<u>1,158</u>	<u>1,715,782</u>	<u>5.3</u>
	15,480	\$32,635,979	100

Total student financial assistance funding continues to grow as enrollment increases. Commuter students find direct institutional costs manageable with semester bills of less than \$2,000 on average. Students who live on campus and take advantage of a food plan often have a greater challenge, with direct costs averaging \$4,500 per semester. When textbooks are added to these costs, "full-need" students find they must take student loans to make ends meet. Middle income families often find that with less gift aid, they must borrow more than "full-need" students. Many parents also supplement the limited freshman and sophomore Stafford Loans with Parent PLUS Loans.

Student loans represent over half of total student aid. The trend toward an increase in individual student borrowing is sharply up among baccalaureate students in the class of 2002. Part of this may be attributed to an increase in Parent PLUS Loan denials. Some dependent students discover that their parents cannot qualify for Parent PLUS Loans. These students are then conditionally qualified to borrow Stafford funds at the higher maximums usually reserved for independent students.

The trend in borrowing among graduate students appears to be leveling off. There was no significant increase in aggregate borrowing for the class of 2002 when compared to the class of 2001.

The foundation of financial aid packages for the most needy is the Pell Grant. The number of Pell Grant recipients increased 8 percent with total dollars increasing 25 percent. This represents the largest single year increase for this program in recent years. This compares to a Stafford Loan dollar volume increase of only 7 percent following the prior year's increase of 16 percent.

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Growth of Indiana Higher Education Award funding has not kept pace with federal grants. There were only two additional student awards and \$40,351 less funding when compared to the prior year. In 2001-2002, the State Student Assistance Commission of Indiana (SSACI) implemented cost-savings measures that impacted students at institutions that assess tuition by the credit hour (as opposed to bracketed tuition). We expect a further decline in 2002-03 due to new SSACI rules that cause students to lose their entire state awards if they drop below full time in the first four weeks of a semester (tuition refund period).

Changes in expenditure levels are summarized by source below.

<u>Sources</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Federal Government	+7%	+14%	+13%
State of Indiana	+6	+2	+7
University of Southern Indiana	+12	+11	+6
USI Foundation	-4	+7	+11
USI Varsity Club	+4	+24	+30
Private Sources	+8	+11	+22
Aggregate Change	+8%	+12%	+11%

Aggregate borrowing for Stafford Student Loan recipients among the Class of 2002 baccalaureate graduates averaged \$15,075, up 14 percent from the 2001 class average of \$13,222. Among year 2002 masters' degree recipients, aggregate borrowing averaged \$23,045, including both graduate and undergraduate borrowing. This figure represents an increase of less than 1 percent over the prior year.

The University's Stafford Loan default rate was 5.9 percent for fiscal year 2000, the most recent year available. A 12-year summary of USI's Stafford Loan default rates appears below.

Stafford Loan Default Rates

1989	3.5%	1992	3.5%	1995	10.8%	1998	4.3%
1990	7.4	1993	3.5	1996	10.3	1999	4.7
1991	4.7	1994	5.9	1997	7.8	2000	5.9

In 2001-2002, 3,870 Stafford Loan borrowers filed 5,260 Stafford Loan requests. About \$19 million in Stafford and Parent PLUS Loans were guaranteed for our students and nearly \$17 million were disbursed.

New Program

The Distinguished Scholars Award (DSA) was created in the past year and first awarded to the entering freshman class for fall 2002. This award offsets the non-resident portion of tuition for students who rank first or second in their class and earn a minimum SAT of 1100 or ACT of 25. Six students enrolled with an anticipated fee remission cost of \$30,364 for the first year.

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Expanded Program

The Community Service component of the Federal Work Study program was expanded in 2001-2002 to include several United Way agencies. The new positions for student workers are in addition to the America Reads/America Counts program supervised by the Teacher Education Department.

The positive impact USI students have had on the community is evidenced by the following quote from Carol Schmidt of the Mental Health Association:

“I just wanted to take a moment to let you know how pleased we were with the students referred to us through this Work Study program. The students... did a wonderful job. Without the funding assistance this program provided, we would not likely have been able to make this Day Camp project a reality in 2002.”

Approximately \$17,600 was earned by students working at the United Way agencies and \$11,125 was earned by America Reads/America Counts tutors working in the public schools.

Perkins Loan

The University's participation in the Federal Perkins Loan program ended with the 2001-2002 award period. The level of funding had not generated sufficient administrative cost allowance to pay for the annual collection costs of the portfolio. Without a massive infusion of institutional matching funds, the federal funding to sustain the cost effectiveness of the program could not be obtained. With the Stafford Loan program providing \$15 million each year and requiring no matching funds, the Student Financial Assistance staff and the Business Office staff agreed that the University's resources could be better applied elsewhere.

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 student financial assistance programs.

TABLE I - SUMMARY OF STUDENT FINANCIAL AID PROGRAMS

September 30, 2002

	1999-2000		2000-2001		2001-2002	
	# of Awards	Total Dollars	# of Awards	Total Dollars	# of Awards	Total Dollars
A. Federal Programs						
1. Pell Grants	1,840	\$ 3,241,794	1,909	\$ 3,593,609	2,069	\$4,490,468
2. Supplemental Grants (a)	253	243,239	316	214,949	283	228,099
3. Perkins Loans	11	22,900	15	23,815	8	12,050
4. Federal Work Study (b)	186	244,925	188	230,939	174	237,879
5. Stafford (Student) Loans	3,407	12,178,268	3,654	14,128,265	3,870	15,169,169
6. Parent PLUS Loans	312	1,197,770	442	1,347,004	473	1,811,683
7. Veterans' Educational Benefits	208	429,250	237	472,789	239	581,674
8. Graduate Nursing Stipend	<u>22</u>	<u>30,726</u>	<u>27</u>	<u>32,267</u>	<u>32</u>	<u>29,707</u>
Federal Totals	6,239	17,588,872	6,788	20,043,637	7,148	22,560,729
B. State Programs						
1. Higher Education Awards	1,298	1,918,931	1,207	1,905,490	1,209	1,865,139
2. Part-Time Higher Ed Awards	118	61,917	149	89,600	119	85,931
3. Hoosier Scholarships	18	9,000	19	9,500	23	11,500
4. 21 st Century Scholarships	287	324,312	288	351,206	347	472,278
5. Vocational Rehabilitation	74	120,142	67	127,714	71	161,537
6. State Work Study	2	1,064	4	2,033	4	2,268
7. Other State Scholarships	14	24,596	25	28,500	41	61,362
8. National Guard Supp. Grant	<u> </u>	<u> </u>	<u>22</u>	<u>38,569</u>	<u>45</u>	<u>80,184</u>
State Totals	1,811	2,459,962	1,781	2,552,612	1,859	2,740,199
C. Institutional Programs (See Table II)	4,581	4,312,382	4,806	4,803,499	4,652	5,095,070
D. USI Foundation Programs	429	478,024	463	511,867	497	568,849
E. USI Varsity Club Athletic Aid (c)	75	117,653	90	145,939	108	189,077
F. Corporate and Private Programs (d)	<u>849</u>	<u>1,085,159</u>	<u>997</u>	<u>1,215,138</u>	<u>1,216</u>	<u>1,482,055</u>
Totals for All Programs	13,984	\$26,042,052	14,925	\$29,272,692	15,480	\$32,635,979

(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. Seven percent of total wages must be spent on community service such as America Reads/America Counts and placement at United Way agencies.

(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.

(d) Corporate and private programs were overstated in the two prior years and have been corrected.

TABLE II - Institutional Financial Aid Program Summary – September 30, 2002

	1999-2000		2000-2001		2001-2002	
	# of Awards	Total Dollars	# of Awards	Total Dollars	# of Awards	Total Dollars
1. Academic Honors Diploma Grant	481	\$443,510	371	\$351,282	200	\$184,240
2. Academic Achievement Award	---	---	1	1,000	5	5,000
3. Academic Excellence Award	24	62,349	21	60,373	22	68,992
4. Athletic Grant-in-Aid (a)	168	348,801	164	396,047	163	376,944
5. B/MD Scholarship	---	---	3	4,504	8	13,149
6. Child of Disabled Veteran	198	265,010	190	363,359	184	371,239
7. Child of Employee Fee Remission	78	72,070	83	81,104	70	73,060
8. Departmental Scholarship	---	---	313	356,672	601	604,593
9. Employee Fee Remission	99	78,269	107	83,205	109	104,939
10. Fifth-Year Non-Resident Fee Remission	6	13,506	4	10,418	6	20,481
11. General Fee Remission (b)	300	95,103	344	127,461	305	89,798
12. Non-Resident Scholarship/Grant	243	524,863	298	658,614	349	757,316
13. Retired Individuals Fee Remission	16	2,819	7	2,514	4	1,496
14. Scholastic Excellence Award	503	620,781	272	371,411	158	241,706
15. Institutional Supplemental Grant	1	500	---	---	1	500
16. Resident Assistants Room/Board	53	115,419	42	117,748	54	168,227
17. Spouse of Employee Fee Remission	18	11,553	20	14,783	21	12,483
18. Spouse of Full-Time Student Remission	14	6,348	11	4,382	8	3,015
19. 21 st Century Textbook Awards	<u>136</u>	<u>25,300</u>	<u>125</u>	<u>22,900</u>	<u>93</u>	<u>16,700</u>
Fee Remit/Grant-in-Aid Subtotals	2,338	2,686,201	2,376	3,027,777	2,361	3,113,878
20. Short-Term Loans for Book and Supplies	1,276	544,347	1,378	527,747	1,311	505,557
21. Institutional Student Employment (c)	<u>967</u>	<u>1,081,834</u>	<u>1,052</u>	<u>1,247,975</u>	<u>980</u>	<u>1,475,635</u>
Totals for All Programs	4,581	\$4,312,382	4,806	\$4,803,499	4,652	\$5,095,070

(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, international exchange students, and the Student Housing Association (SHA) Leadership Scholarships.

(c) The number of awards is estimated.



2003 Insurance Renewal

HEALTH/DENTAL AND FLEXIBLE SPENDING ACCOUNTS

Renewal of Plans

- Anthem Blue Cross/Blue Shield - Blue Traditional Plan
- Anthem Blue Cross/Blue Shield - Blue Access Plan
- Welborn HMO Plan
- Health Resources, Inc. (HRI)
- BKD (Baird, Kurtz and Dobson) Section 125 Flexible Spending Accounts





Medical Insurance Historical Review

- 1965 Anthem Blue Cross/Blue Shield - Blue Traditional Plan
- 1988 Welborn HMO added
- 1988 HRI, Inc. added
- 1992 Introduced Flexible Spending Accounts under Section 125
- 1999 Anthem Blue Cross/Blue Shield - Blue Access added



3



Medical Insurance Strategy

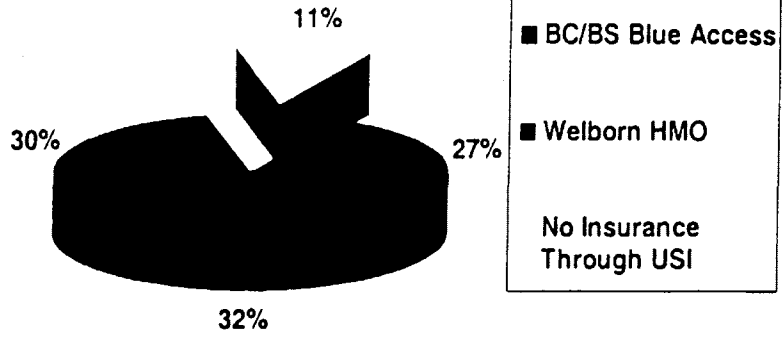
- Maintain in- and out-of-network options for choice of provider
- Encourage migration from Blue Traditional to the managed care plan, Blue Access
- Maintain benefit levels/premium rates comparable to other state universities
- Implement plan design changes to promote wellness and managed care
- Continue Deposit Premium alternative funding arrangement implemented in 2000



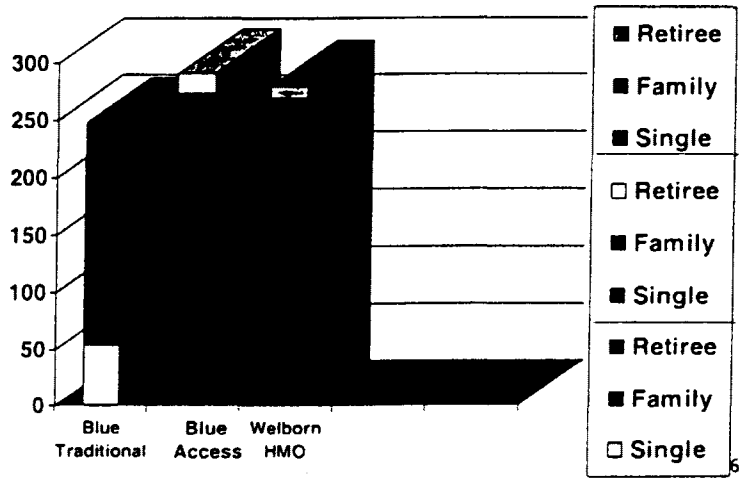
4



Insurance Enrollment Level

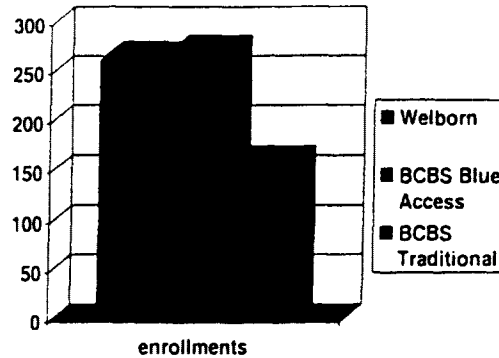


Plan Type Memberships





Insurance Enrollment for Active Employees



Blue Traditional Renewal

Recommended Plan Design Changes:

- Prescription Drug Co-payment
Increase from \$8/15/25 to \$12/24/40
- Annual Deductible
Increase from \$200/400 to \$250/500





Blue Access Renewal

Recommended Plan Design Changes:

- Prescription Drug Co-payment
Increase from \$8/15/25 to \$10/20/30
- Office Visit Co-payment
Increase from \$10 to \$15
- Emergency Room Co-payment
Increase from \$50 to \$75 (waived if admitted)



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Health Resources, Inc. Renewal

Dental Insurance Coverage

- No deductibles, no claim forms, no pre-existing condition clause
- No balance billing
- Large network of dentists, including specialists
- Exams, x-rays, cleanings, fluoride, and sealants covered at 100% with limits
- No recommended plan design changes for 2003



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2003 Negotiated Renewal

- Anthem Blue Cross/Blue Shield Increase
 - Blue Traditional - Active 17.7%
 - Blue Traditional - Retiree 6.0%
 - Blue Access - Active 18.4%
 - Blue Access - Retiree 11.5%

- Health Resources, Inc. Increase
 - Dental Health Plan - Single 6.0%
 - Dental Health Plan - Family 8.0%

- Maintain Deposit Premium Funding Arrangement



Recommended Monthly Premiums: BC/BS - Blue Traditional/HRI Plan *

	<u>Premium</u>	<u>Change</u>	<u>USI</u>	<u>EE</u>
<u>Single</u>	\$360.65	16.5%	\$270.49	\$ 90.16
<u>Family</u>	\$932.08	16.6%	\$699.06	\$233.02
<u>Retiree</u>	\$283.95	5.8%	\$212.96	\$ 70.99



* Includes Post-Retirement Benefit Cost

**Recommended Monthly Premiums: BC/BS -
Blue Access and HRI Plan ***

	<u>Premium</u>	<u>Change</u>	<u>USI</u>	<u>EE</u>
<u>Single</u>	\$307.50	16.9%	\$230.63	\$ 76.88
<u>Family</u>	\$795.22	17.0%	\$596.42	\$198.80
<u>Retiree</u>	\$254.32	10.7%	\$190.74	\$ 63.58



* Includes Post-Retirement Benefit Cost



Welborn Renewal

Recommended Plan Design Changes:

- Prescription Drug Co-payment
Increase from \$5/15/25 to \$10/20/30
- Office Visit Co-payment
Increase from \$10 to \$15





2003 Negotiated Renewal

- **Welborn HMO Plan Increase**
 - Single Plan 10.3%
 - Family Plan 10.3%
 - Retiree 14.0%

- **Health Resources, Inc. Increase**
 - Dental Health Plan - Single 6.0%
 - Dental Health Plan - Family 8.0%



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Recommended Monthly Premiums: Welborn HMO/HRI Plan*

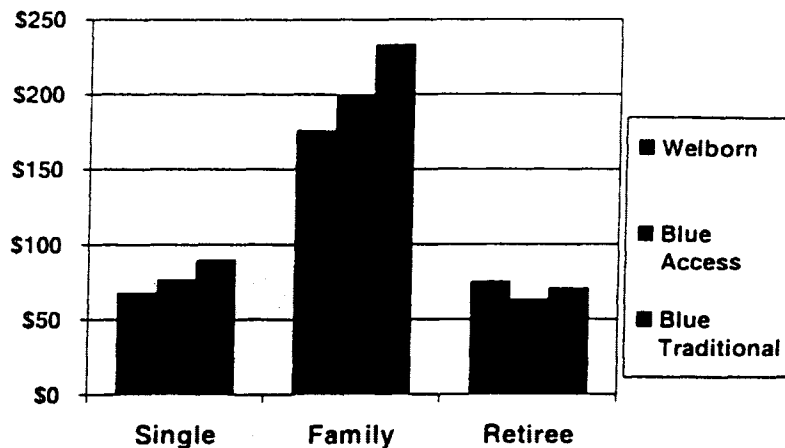
	<u>Premium</u>	<u>Change</u>	<u>USI</u>	<u>EE</u>
<u>Single</u>	\$271.23	9.6%	\$203.43	\$ 67.80
<u>Family</u>	\$703.13	9.8%	\$572.35	\$175.78
<u>Retiree</u>	\$288.34	12.9%	\$212.96	\$ 75.38



* Includes Post-Retirement Benefit Cost

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2003 EE Monthly Cost Comparisons for Plans



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Section 125 Flexible Benefit Plan

Flexible Benefit Plan Options

- Premium Only - Health and Life
- Dependent Care - \$5,000
- Unreimbursed Medical Expenses - \$3,000
- Supplemental Insurance - \$1,500
- Rate hold for 2003 of \$5.50/person/month



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Recommendations

- **APPROVE** renewal of Master Policy contract with Anthem BC/BS - Blue Traditional and Blue Access Plans including plan design changes under the Deposit Premium Arrangement as outlined

- **APPROVE** renewal of Master Policy contract with Welborn HMO including plan design changes as outlined

- **APPROVE** renewal of Master Policy contract with Health Resources, Inc. as outlined

- **APPROVE** renewal of flexible benefit plan administrative agreement with BKD as outlined

