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MINUTES
INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
SPECIAL MEETING

MAY 16, 2003

Exhibit

SECTION I

A. Student Academic Semester Fees, 2003-04

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The Indiana State University Board of Trustees met in special session at 2:00 p.m. on Friday, May 16, 2003, in the State Room, Tirey Hall.

Trustees present: Mr. Alley, Mr. Bonds, Mr. Dooley, Mrs. House, Mr. Huntsinger, Mr. Smith and Dr. Zietlow. Trustees absent: Mr. Fleetwood and Mr. Shagley.

President Benjamin, Vice Presidents Floyd, Pontius, Ramey and Schafer and Interim Vice President Thompson were present. Also attending were Ms. Melony Sacopulos, General University Counsel and Josh Callahan, representing the Student Government Association.

There being a quorum present, Mrs. House called the meeting to order at 2:15 p.m.

Mrs. House thanked everyone for attending the special meeting to consider student fees beginning with the fall semester, 2003.

Dr. Benjamin welcomed everyone and congratulated Don Smith, a recipient of an honorary degree at commencement and Mike Alley, the recipient of the Thomas Moses Good Scouting Award.

SECTION I

Dr. Benjamin noted the focus of the meeting is student fees for the coming academic year. At the June meeting a budget proposal will be presented. Historically ISU has been an access institution and fees and tuition have been set below sister state institutions. ISU is the lowest among the four major public institutions. ISU has grown, has added new programs, and increased research. There are challenges relative to the costs of health care, infrastructure, and attracting and retaining faculty. According to the Commission for Higher Education report ISU salary levels are about the same as the University of Southern Indiana and below the other three public institutions.

The appropriation by the State for ISU is essentially what was received two years ago. There is no additional funding for technology. Reallocation has been done for several years to cover essential increases. It is now time to provide additional revenue to meet the institution's mission. This is difficult for Trustees and for the administration, but if we do not build for the future, we will begin to dismantle. What is proposed to the Trustees is consistent with what IU, Purdue and Ball State have done.

Dr. Benjamin listed three budget principles: continue investment in people; continue investment in technology; and increase funding for financial aid and student services. He noted the fee proposal includes a 5 per cent increase in student fees complying with the State's recommendation. This is necessary to replace State dollars not appropriated. There is a \$2 million deficit to recover in the 2002-03 operating budget for the 2003-04 year.

Mr. Floyd noted that several versions of the budget were considered and that the implementation of a new student fee of \$1,000 for all new students beginning with the fall 2003 semester and a 5% overall increase is proposed. A similar new student fee has been approved by sister doctoral research institutions in the State. He assured the Board this increase has received a great deal of consideration and has been endorsed by the President's Cabinet.

Mr. Dooley commented that his eight years of service on the Board will end soon. He felt the University and Board should not lose sight of expenses and should utilize every opportunity to review expenses all across the campus. He said there is a need to be more aggressive in enrollment recruiting. ISU gets many first generation students, and he is concerned how this fee proposal will impact some parents and students. This initiative may be driving students away to community college campuses. He understood the need for additional revenue and, even though it was a tough call for him, he would vote in favor of the proposal, but he has reservations about the impact the proposal may have.

Dr. Zietlow also expressed concern about the proposed fee increase, but she was pleased with the related increase in student financial aid. Competitive salaries for new faculty are important because of increased numbers of retirements, and new faculty can go to other institutions at higher salaries. It is a "double edged sword" but she felt the increase was necessary. However, the University must look at other ways for outside funding including cultivating alumni.

Mr. Bonds also shared his concerns. He noted voicing his concern for the last three years on raising fees. He supports the recommendation for the increase but he challenged the University to look at its cost structure and review ways to cut costs or to generate additional revenue. He commended the compensation task force for their work on compensation. He was concerned about the timing of the increase, but it is always difficult to raise fees.

Mr. Alley suggested the Trustees should not be apologizing for the necessary fee increase. He felt the University provides a great value. An argument can be made that ISU's value is greater because of its size and its faculty/student ratio. We have been reluctant about raising fees in the past, but it has put ISU behind other institutions. The scene has changed in the State with the opportunities students have. He did not think

ISU's objective should be the highest enrollment. It should be in maintaining the strongest student body. It is important to make investment in the faculty and staff at ISU, and clearly it is important to invest in providing the best education for ISU students.

Dr. Benjamin assured the Trustees that they were being listened to carefully. He appreciated and understood the points raised and promised the administration will continue to be as responsive as possible.

A. STUDENT ACADEMIC SEMESTER FEES, 2003-04 (Mr. Floyd)

The academic semester student fee schedule beginning with the fall semester 2003 through summer session II, 2004, was presented in Exhibit A.

Recommendation: Approval of the proposal for an academic student fee schedule effective with the fall semester 2003 through summer session II, 2004 as presented in Exhibit A.

On a motion by Dr. Zietlow, seconded by Mr. Alley, the recommendation was approved.

Mrs. House thanked the Trustees in making a very difficult decision and adjourned the meeting at 2:55 p.m.

INDIANA STATE UNIVERSITY
SCHEDULE OF 2003-2004 ACADEMIC SEMESTER FEES
 and Summer Sessions of 2004

<u>Semester Fees</u>	<u>Resident</u>	<u>Additional Non-Resident</u>	<u>Total For Non-Resident</u>
Undergraduate - Continuing Student			
above 18 hours	\$2,603.00	\$3,878.00	\$6,481.00
12 - 18 hours	\$2,161.00	\$3,234.00	\$5,395.00
0 - 11.5 per credit hour	\$156.00	\$224.00	\$380.00
Graduate - Continuing Student			
Per Credit Hour	\$187.00	\$239.00	\$426.00
Technology Fee, Per Capita (includes \$25.00 temporary fee)	\$50.00		\$50.00
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Undergraduate - New Student			
above 18 hours	\$3,103.00	\$3,878.00	\$6,981.00
12 - 18 hours	\$2,661.00	\$3,234.00	\$5,895.00
0 - 11.5 per credit hour	\$192.00	\$224.00	\$416.00
Graduate - New Student			
Per Credit Hour	\$242.00	\$239.00	\$481.00
Technology Fee, Per Capita (includes \$25.00 temporary fee)	\$50.00		\$50.00
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All undergraduate and graduate students who must be admitted or readmitted (application updated) for any term subsequent to Spring 2003 will be charged the new student fee rate. Students admitted under dual admission programs with first-time ISU enrollment subsequent to the Spring 2003 semester will also be assessed the higher fee rate.			
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Off Campus			
Distance Education	Charged Resident fees only if designated as distance student		
Extension	Same as regular Undergraduate and Graduate students		
Late-Start Extension	Charged Undergraduate and Graduate Resident fees only		
Educational Testing Service (ETS)			
Per Credit Hour	\$120.00		\$120.00
College Challenge			
Per Credit Hour	\$70.00		\$70.00

Work Force Development programs/courses are charged an approved fee based upon contractual arrangements.

Estimated Academic Year Fees per FTE Student - Continuing Student

	<u>Resident</u>	<u>Non-Resident</u>	<u>Total</u>
I. Undergraduate-FTE 2002-03			
Credit Hours-(30)	\$4,116.00	\$6,160.00	\$10,276.00
Increases per FTE	<u>\$206.00</u>	<u>\$308.00</u>	<u>\$514.00</u>
II. Undergraduate-FTE 2003-04			
Credit Hours-(30)	\$4,322.00	\$6,468.00	\$10,790.00
III. Technology Fee	\$100.00		\$100.00

IV. Graduate-FTE 2002-03			
Credit Hours-(18)	\$3,204.00	\$4,086.00	\$7,290.00
Increases per FTE	<u>\$162.00</u>	<u>\$216.00</u>	<u>\$378.00</u>
V. Graduate-FTE 2003-04			
Credit Hours-(18)	\$3,366.00	\$4,302.00	\$7,668.00
VI. Technology Fee	\$100.00		\$100.00

Estimated Academic Year Fees per FTE Student - New Student

	<u>Resident</u>	<u>Non-Resident</u>	<u>Total</u>
I. Undergraduate-FTE 2002-03			
Credit Hours-(30)	\$4,116.00	\$6,160.00	\$10,276.00
Increases per FTE	<u>\$1,206.00</u>	<u>\$308.00</u>	<u>\$1,514.00</u>
II. Undergraduate-FTE 2003-04			
Credit Hours-(30)	\$5,322.00	\$6,468.00	\$11,790.00
III. Technology Fee	\$100.00		\$100.00

IV. Graduate-FTE 2002-03			
Credit Hours-(18)	\$3,204.00	\$4,086.00	\$7,290.00
Increases per FTE	<u>\$1,152.00</u>	<u>\$216.00</u>	<u>\$1,368.00</u>
V. Graduate-FTE 2003-04			
Credit Hours-(18)	\$4,356.00	\$4,302.00	\$8,658.00
VI. Technology Fee	\$100.00		\$100.00