

**INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE COMMITTEE AGENDA
December 16, 2016
9:30 a.m. – 10:30 a.m.**

Recommendation Items:

- 1. Proposed 2017 Health Plan**
- 2. Proposed Change of Schedule Fee/Late Registration Fee**
- 3. Proposed 2017-18 Housing and Dining Rates**
- 4. Proposed Sale of Property**

Informational Items:

- 1. Review and acceptance of FY16 Audited Financial Statements**
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Schedule of Regular Review Items:

**July/August – Review Investment Performance of Operating Funds
Review Capital Project Plan
Review State Budget Request (only in even years)**

**October – Review Voluntary Employee Benefit Association (VEBA) Trust Fund
Annual Financial Audit Update**

**December – Review Audited Financial Statements
Review Proposed Housing and Dining Rates**

**February – Review Federal A-133 Audit
Discussion of Preliminary Budget Planning Assumptions
Review Debt Plan**

**May/June – Review Proposed Tuition and Fees (only in odd years)
Review Final Proposed Operating Budgets**

RECOMMENDATION ITEMS:

1. UNIVERSITY HEALTH BENEFITS PLAN FOR 2017

Employee Health Coverage: Medical claims of the University's self-insured medical plan for 2016 have increased 15 percent over the same time period of 2015. The University through its Benefits Consultant, AON, and in concurrence with the University Employee Health Benefits Review Committee has researched a claims processor with deeper discounts than those offered by the current administrator. A change in claims processor/administrator is estimated to save \$1.8 million for 2017. It is recommended that the University's self-insured medical plan be administered by Anthem with one minor plan design change to bring hospitalization and outpatient surgery under the current deductible.

Since the June 26, 2015 action by the United States Supreme Court, same-sex couples have the constitutionally protected right to marry. Therefore provisions of benefits for unmarried same-sex domestic partners will be phased out. Employees with same-sex partners participating in the plan have been notified the University medical coverage and other benefits will cease effective December 31, 2016.

Prescription Drug Coverage: It is recommended that the University continue to utilize the State of Indiana Aggregate Prescription Purchasing Program (IAPPP) administered by Express Scripts. For 2017, it is also recommended that the plan enroll in Care Value programs to help employees better manage their illnesses and assist in controlling the costs of prescriptions for the following: inflammatory treatments, diabetes care and other market event situations. There is no additional cost for these programs.

Dental Coverage: It is recommended that the University's dental coverage continue to be administered by Delta Dental of Indiana with no change in coverage or rates.

Retirees Over Age 65: It is recommended the fully-insured medical and prescription drug plan for eligible retirees who are age 65 or over be continued with AmWINS with no change in carriers or coverage. Eligible retirees under age 65 will be covered by the Anthem Plan until they attain age 65.

Specific Stop Loss: The \$250,000 individual stop loss deductible policy is recommended to be placed with Anthem effective January 1, 2017.

Administrative Fees: The monthly per capita administrative fees (including medical administrative services fees, dental and reinsurance costs) are listed below:

	2016 Cigna Rates	2017 Proposed Anthem Rates
	<u>Plan Year</u>	<u>Plan Year</u>
Active/Early Retiree	\$41.06	\$40.00
Specific Stop Loss	\$32.09	\$35.75
Dental	\$3.15	\$3.15

Contribution Rates - Employee Coverage: For 2017, rates are once again based on wellness participation. Participation of employees on the coverage provides a \$30 per month rate discount

during 2017. Spouses covered on the plan who participate will be provided with an additional \$20 per month rate discount. There is also a \$50 per month tobacco surcharge per employee and an additional \$50 surcharge per month for spouses who are tobacco users. Employees /spouses may agree to participate in a tobacco cessation program to avoid the surcharge for up to two years only.

The University will continue to offer a voluntary subsidy program for employees whose household income is less than 200 percent of the 2016 Federal Poverty Guidelines. This program provides a subsidized rate that is substantially less than normal rates.

Claims experience and medical inflation trend factors are considered in establishing proposed health coverage rates. Medical claims for the past 12 month period have significantly increased over the prior year. The overall rate increase is projected at 7.3 percent.

For active employees, the following premium rates are recommended, effective January 1, 2017. The rates as shown below are inclusive of medical, prescription drug, and dental coverage. Health coverage rates for 2016 are also included for comparative purposes.

Proposed 2017 ISU Health Coverage Monthly Rates

Employee Rates

	2017 Standard Rate*	2016 Standard Rate*
Employee	\$234.00	\$213.00
Employee/Child(ren)	\$433.00	\$395.00
Employee/Spouse	\$566.00	\$516.00
Employee/Dependents	\$620.00	\$565.00

Employees Below 200% of Federal Poverty Level

	2017 Standard Rate*	2016 Standard Rate*
Employee	\$170.00	\$155.00
Employee/Child(ren)	\$303.00	\$276.00
Employee/Spouse	\$381.00	\$347.00
Employee/Dependents	\$419.00	\$382.00

2017 Wellness Incentive & Tobacco Surcharge - Monthly Rate Adjustments

	Wellness Incentive	Tobacco Surcharge
Employee**	(\$30.00)	\$50.00
Spouse**	(\$20.00)	\$50.00

2016 Wellness Incentive & Tobacco Surcharge - Monthly Rate Adjustments

	Wellness Incentive	Tobacco Surcharge
Employee	(\$30.00)	\$50.00
Employee/Child(ren)	(\$30.00)	\$50.00
Employee/Spouse***	(\$50.00)	\$50.00
Employee/Dependents***	(\$50.00)	\$50.00

* Standard rate assumes employee does not use tobacco and has not received wellness incentive.

** Employee and spouse each receive separate discount or surcharge for participation.

*** Employee and spouse must both participate to receive discount or avoid surcharge.

Contribution Rates - Over Age 65 Retiree Coverage: Rate increases in the fully insured retiree medical coverage and Part D prescription drug program of \$7.00 per month per person on Option 1 and \$13.53 per month per person for Option II are recommended. Option II provides retirees with an expanded Part D prescription drug program.

Medical and Prescription Plan (with self-insured Dental)	Current 2016 Cost (Per Person Per Month)	Proposed 2017 Cost (Per Person Per Month)
Option #1	\$104.00	\$111.00
Option #2 (enhanced prescription plan coverage)	\$197.47	\$211.00

Recommendation: Approval of the health coverage and rates as presented effective January 1, 2017.

2. CHANGE OF SCHEDULE FEE/LATE REGISTRATION FEE

The University is currently working to implement the Banner base-line fee assessment process, which is scheduled to go live effective with the Summer 2017 term. As part of this initiative, many aspects tied to course characteristics, assessment processes, etc., have been examined and changed to better address current needs and to take advantage of efficiencies when possible. Current amounts and processes associated with change of schedule and late registration fee assessments have been in place since at least 2003 and utilize a tiered concept for each of the respective fees with varied initial assessment dates. It is proposed to move to a streamlined concept for each fee type, with the change of course fee being assessed once per day and the late registration fee being assessed once per semester/term, with the initial assessment of each fee beginning with the first day of a given semester/term. Because of multiple start and end dates for summer terms, it is also proposed to eliminate the assessment of the late registration fee during summer terms. Proposed fees follow:

<i>Fee/Assessment Period</i>	<i>Current Amount</i>	<i>Proposed Amt.</i>
Change of Schedule Fee – academic yr. semester	\$10/\$30 per transaction	\$30 per day
Change of Schedule Fee – summer term	\$10 per transaction	\$30 per day
Late Registration Fee – academic yr. semester	\$30/\$100	\$100
Late Registration Fee – summer term	\$30	Eliminated

Recommendation: Approval of the change of schedule/late registration fee assessment process and amounts as outlined above, effective with the change of schedule/late registration fee assessment period for the 2017 Summer term.

3. ISU HOUSING AND DINING RATES FOR 2017-18

On Campus Housing

As the University continues to invest in improving student housing, rates are reviewed annually to ensure student housing remains affordable and that residence hall rooms are categorized strategically. For 2017-18, all rooms offered to students will be air conditioned which provides greater flexibility in how rooms are categorized. Room types for 2017-18 will include Standard, Traditional and Premium rooms.

The proposed rate increase for a Standard residence hall room and a Standard meal plan represents a 1.0 percent increase for 2017-18. The Standard room type will be assigned to Lincoln Quad and house upper level students. Traditional rooms will be an additional \$500 per year as these residence halls are more recently upgraded and offer students more amenities than a Standard room. Freshman students will be housed in residence halls assigned to the Traditional room category. Premium rooms will be an additional \$1,000 per year. Premium housing will

include one upgraded facility, Hines Hall, that will be assigned only to upper level students and offer additional privacy. Rooms within Reeve Hall with private baths will also be assigned to the Premium room category.

The Non-Flex meal plan rates, first offered in 2013-14, are included with the housing rate options. The Non-Flex meal plan offers a reduced rate from the Standard meal plan. Students utilizing this reduced rate plan do not have the flexibility to roll meal plan credits from week to week or have the availability of commons cash.

It is also recommended that, at the discretion of Residential Life, students not be billed the higher room rate if they are required to move to a more expensive room type during the year at the request of Residential Life staff. Students who request to move to more expensive room types would still be charged the higher room rate.

The recommended 2017-18 rates for on campus housing are listed below and include additional room accommodation options and meal plan options. The 2016-17 housing and dining rates are included with this item for comparative purposes.

2017-18 Residential Life Proposed Room & Board Rates - On Campus Housing

Breakdown by Hall						
Hall	2016-17 Room Type	2016-17 Rates Standard Board Plan	2016-17 Rates Non-Flex Board Plan	2017-18 Room Type	2017-18 Rates Standard Board Plan	2017-18 Rates Non-Flex Board Plan
Lincoln Quad	Standard	\$9,785.20	\$9,401.00	Standard	\$9,883.00	\$9,498.80
Hines (upper level students only)	Standard	\$9,785.20	\$9,401.00	Premium	\$10,883.00	\$10,498.80
Jones	Standard	\$9,785.20	\$9,401.00	Traditional	\$10,383.00	\$9,998.80
Burford	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Erickson	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Pickerl	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Sandison	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Mills	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Blumberg	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Cromwell	---	---	---	Traditional	\$10,383.00	\$9,998.80
Reeve (Double with Shared Bath)	Premium	\$10,295.20	\$9,911.00	Traditional	\$10,383.00	\$9,998.80
Reeve (Single Room with Shared Bath)	Premium - Single	\$12,845.20	\$12,461.00	Traditional - Single	\$12,933.00	\$12,548.80
Reeve (Double Room with Private Bath)	Premium Plus - Double	\$11,315.20	\$10,931.00	Premium - Double	\$10,883.00	\$10,498.80
Reeve (Single Room with Private Bath)	Premium Plus - Single	\$13,865.20	\$13,481.00	Premium - Single	\$13,433.00	\$13,048.80

Supplemental Room Proposed Rates						
Accommodations	2016-17 Room Type	2016-17 Rates Standard Board Plan	2016-17 Rates Non-Flex Board Plan	2017-18 Room Type	2017-18 Rates Standard Board Plan	2017-18 Rates Non-Flex Board Plan
Lounges, Common Areas	Economy/Standard	\$7,421.86	\$7,037.66	Standard	\$8,010.52	\$7,626.32
Lounges, Common Areas	Traditional	---	---	Traditional	\$8,360.52	\$7,976.32
Lounges, Common Areas	Premium	\$8,285.80	\$7,901.60	Premium	\$8,710.52	\$8,326.32

Additional Accommodation Options						
Accommodations	2016-17 Room Type	2016-17 Rate		2017-18 Room Type	2017-18 Rate	
Single Room	Economy/Standard	\$1,700.00		Standard	\$1,700.00	
Single Room	Premium/Premium +	\$2,550.00		Traditional/Premium	\$2,550.00	
Triple Room	All	(\$1,000.00)		All	(\$1,000.00)	
Break Access Contract Add-On		\$600.00			\$600.00	

Additional Meal Options - Annual Amount Above Standard Plan						
	Meal Plan	2016-17 Rate			2017-18 Rate	
	Flex 10/204	\$204.00			\$204.00	
	Flex 10/306	\$408.00			\$408.00	
	Best Flex 12/102	\$149.60			\$149.60	
	Best Flex 12/204	\$353.60			\$353.60	
	Best Flex 12/306	\$557.60			\$557.60	
	High Flex 14/102	\$244.80			\$244.80	
	High Flex 14/204	\$448.80			\$448.80	
	High Flex 14/306	\$652.80			\$652.80	

2018 Summer Housing Rates - ISU Students						
Room Type	Accommodations	2017 Weekly Rate	2017 Daily Rate		2018 Weekly Rate	2018 Daily Rate
Standard	Double Room	\$182.00	\$26.00		\$183.58	\$26.23
Traditional	Double Room	---	---		\$198.28	\$28.33
Premium	Double Room	\$197.00	\$28.14		\$212.99	\$30.43
Standard	Single Room Additional Amount		\$7.14			\$7.14
Traditional/Premium	Single Room Additional Amount		\$10.71			\$10.71
All - Early Arrival Student Groups/Break Housing	On Campus		\$14.00			\$14.00

500 Wabash & University Apartments

The proposed rates for 2017-18 for student rooms at 500 Wabash & University Apartments represent a 2.0% increase. An optional meal plan will be offered to students living at University Apartments and 500 Wabash.

In an effort to create student friendly housing packages for off campus housing, the University offers both full year and academic year contracts at 500 Wabash and University Apartments. The rates for 500 Wabash and the furnished University Apartments units are a per student rate billed by the semester. The unfurnished family units at University Apartments are a per unit rate.

The recommended 2017-18 rates for University Apartments and 500 Wabash are listed below and include additional room accommodation and meal plan options. The 2016-17 housing and dining rates are included with this item for comparative purposes.

University Apartments*

Family Apartments (Unfurnished)				
Room Type	2016-17 Academic Year	2016-17 Full Year	2017-18 Academic Year	2017-18 Full Year
One Bedroom	\$6,690.00	\$8,028.00	\$6,820.00	\$8,184.00
Two Bedroom	\$7,720.00	\$9,264.00	\$7,870.00	\$9,444.00
Three Bedroom	\$8,490.00	\$10,188.00	\$8,660.00	\$10,392.00

Single Apartments (Furnished)				
Room Type	2016-17 Academic Year	2016-17 Full Year	2017-18 Academic Year	2017-18 Full Year
SYE Shared One Bedroom	\$6,170.00	n/a	\$6,290.00	n/a
SYE Shared One Bedroom with Study	\$7,200.00	n/a	\$7,340.00	n/a
Single One Bedroom	\$7,720.00	\$9,264.00	\$7,870.00	\$9,444.00
Single Shared One Bedroom w/ Study	\$7,200.00	\$8,640.00	\$7,340.00	\$8,808.00
Single Three Bedroom (Large)	\$7,200.00	\$8,640.00	\$7,340.00	\$8,808.00
Single Three Bedroom (Medium)	\$5,150.00	\$6,180.00	\$5,250.00	\$6,300.00
Single Three Bedroom (Small)	\$4,120.00	\$4,944.00	\$4,200.00	\$5,040.00

500 Wabash*

Room Type	2016-17 Contract Rate	2017-18 Contract Rate
One Bedroom - 12 Month Contract	\$10,188.00	\$10,392.00
One Bedroom - 9 Month Contract	\$8,334.00	\$8,505.00
One Bedroom - 3 Month Summer	\$2,778.00	\$2,835.00

* Rates listed are for housing only and do not include a meal plan. A Sodexo meal plan is optional.

Additional Accommodation Options			
Accommodations		2016-17 Daily Rate	2017-18 Daily Rate
Early Arrival Student Groups/Break Housing - Off Campus		\$14.00	\$20.00

Optional Meal Plan - University Apartments & 500 Wabash				
Meal Plan	2016-17 Academic Year Rate		2017-18 Academic Year Rate	
5 Meals per Week & \$100 Commons Cash per Semester	\$1,472.20		\$1,516.40	

Recommendation: Approval of the proposed 2017-18 Housing and Dining rates.

4. SALE OF PROPERTY

To be distributed.

INFORMATIONAL ITEMS:

1. 2015-16 AUDITED FINANCIAL STATEMENTS

The 2015-16 audited financial statements received an unmodified audit opinion from the Indiana State Board of Accounts reflecting the FY16 financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The Indiana State University 2015-16 Financial Report is available at:

<http://www2.indstate.edu/controller/docs/Financial%20Report%20FY16.pdf>