



**INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE COMMITTEE AGENDA
October 11, 2019
2:00 p.m. – 2:45 p.m.**

Recommendation Items:

- 1. Proposed University Health Benefits Plan for 2020**
- 2. Proposed Disposition of Lincoln Quad Complex**

Informational Items:

- 1. Review Investment Performance of Operating Funds**
- 2. Annual Financial Audit Update**



Schedule of Regular Review Items:

- August – Review State Budget Request (only in even years)**
- October – Review Investment Performance of Operating Funds
Annual Financial Audit Update**
- December – Review Audited Financial Statements**
- February – Review Federal Audit
Discussion of Preliminary Budget Planning Assumptions
Review Debt Plan
Review Proposed Housing and Dining Rates**
- May/June – Review Proposed Tuition and Fees (only in odd years)
Review Final Proposed Operating Budgets**

RECOMMENDATION ITEMS:

1. PROPOSED UNIVERSITY HEALTH BENEFITS PLAN FOR 2020

Medical Coverage: It is recommended that the University’s medical plan continue to be administered by Anthem. The University offers employees two plan options – a Preferred Provider Organization (PPO) plan and a High Deductible Health Plan (HDHP). No plan design changes are recommended for either plan for 2020.

Prescription Drug Coverage: It is recommended that the University continue to utilize the State of Indiana Aggregate Prescription Purchasing Program (IAPPP). CVS Caremark will continue as prescription drug administrator for this program in 2020.

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

Employee Coverage - Contribution Rates: The following premium rates are recommended for employees effective January 1, 2020 with no increase from the 2019 amounts. The rates, as shown below, are inclusive of medical, prescription drug, dental coverage, wellness screenings, administrative fees, and stop-loss insurance.

Proposed 2020 ISU Health Coverage Monthly Rates

Employee Rates - PPO Plan

	2020 Standard Rate*
Employee	\$241.00
Employee/Child(ren)	\$445.00
Employee/Spouse	\$582.00
Employee/Dependents	\$637.00

Employee Rates - High Deductible Health Plan (HDHP)

	2020 Standard Rate*
Employee	\$176.00
Employee/Child(ren)	\$344.00
Employee/Spouse	\$454.00
Employee/Dependents	\$497.00

Employees Below 200% of Federal Poverty Level - PPO Plan Only

	2020 Standard Rate*
Employee	\$161.00
Employee/Child(ren)	\$298.00
Employee/Spouse	\$390.00
Employee/Dependents	\$427.00

2020 Wellness Incentive & Tobacco Surcharge**

	2020 Monthly Rate Adjustment
Employee Wellness Incentive	(\$30.00)
Spouse Wellness Incentive	(\$20.00)
Employee Tobacco Surcharge	\$50.00
Spouse Tobacco Surcharge	\$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.

Retirees Age 65 and Over - Plan Design: 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 coverage. Express Scripts will underwrite the prescription drug plan for 2020. Eligible retirees under age 65 will be covered by the employee Anthem Plan and may participate in the HDHP until they attain age 65.

Retirees Age 65 and Over - Contribution Rates: Proposed retiree rates for the fully insured retiree medical coverage, Part D prescription drug program and self-insured dental coverage are listed below and will remain the same as in 2019 for retirees electing Rx Plan 1. Rates for retirees electing Rx Plan 2 increased by \$4.88 per month. Rx Plan 2 provides retirees with an expanded Part D prescription drug program.

Medical and Prescription Plan (with self-insured Dental)	Proposed 2020 Retiree Cost (Per Person Per Month)	2019 Retiree Cost (Per Person Per Month)
Rx Plan 1	\$102.00	\$102.00
Rx Plan 2	\$217.88	\$213.00

Recommendation: Approval of the health coverage and rates as presented effective January 1, 2020.

2. PROPOSED DISPOSITION OF LINCOLN QUAD COMPLEX

Over the past decade, significant on-campus student housing renovations have been completed and new buildings added to the overall housing inventory resulting in an increased capacity of 979 on-campus beds. Additionally, private student housing developments adjacent to campus provide increased opportunities for upper-level students to live in renovated spaces and significantly reduce the demand for housing in Lincoln Quad.

Constructed in 1969, the 768 bed Lincoln Quad Complex has served the housing needs of Indiana State University students and student groups for 50 years. While the Complex have been carefully and routinely maintained, the original design of the structure, the age of the buildings, and useful life expectancy of the building systems makes it one of the most challenging on-campus student housing facilities to maintain and operate. The entirety of living and common space, exterior finishes, and mechanical systems have exceeded their life-cycle and are in need of replacement.

It is recommended the Lincoln Quad Complex be decommissioned and taken off-line, effective the end of the spring 2020 semester and slated for demolition. Authorization to begin work on this project is needed to retain architectural and engineering services and receive demolition and site restoration bids. Funding for the project will be from Housing reserve funds.

Recommendation: Authorization for the Treasurer of the Board of Trustees to take the following action:

- a. To request any approvals from the Commission for Higher Education, the State Budget Committee, and Governor of the State of Indiana that may be required; and
- b. To engage architectural and engineering services and prepare demolition documents; and
- c. To enter into contracts for demolition of the Lincoln Quad Complex to include site restoration.

INFORMATIONAL ITEMS:

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