

MINUTES
INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
SPECIAL MEETING

MAY 15, 2007

Exhibits

SECTION I

- A. Student Academic Semester Fees, 2007-08
- B. Student Academic Semester Fees, 2008-09
- C. Series M Bond Resolution

MINUTES
INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
SPECIAL MEETING

MAY 15, 2007

The Indiana State University Board of Trustees met in special session at 3:00 p.m. on Tuesday, May 15, 2007, in the State Room, Tirey Hall.

Trustees present: Mr. Alley, Mr. Bonds, Mrs. House, Mr. LaPlante, Mr. Scharton, and Mr. Shagley. Trustees absent: Mr. Carpenter, Mr. Lowery and Mr. Thyen.

President Benjamin, Vice Presidents Floyd, Maynard, and Ramey and Ms. Melony Sacopulos, General Counsel and Secretary of the University were present. Also attending was Ms. Kelly Hall, Chairperson of the Support Staff Council.

There being a quorum present Mr. Alley called the meeting to order at 3:00 p.m.

SECTION I

President Benjamin expressed sincere appreciation to the Indiana General Assembly and Governor Mitch Daniels for their support of higher education in this biennial budget session. He also thanked the staff members who worked on our behalf throughout the legislative session including Greg Goode, Gregg Floyd, Diann McKee, Provost Maynard and others. They dedicated many hours to advocating on our behalf.

In addition to the 1.3 and 2.7 percent increases we received in our appropriation, we are most appreciative of the \$14.8 million we received for the renovation of our life sciences and chemistry laboratories and satellite chiller capacity. We are also pleased with the State's investment in our nursing program as we work together to address Indiana's shortage of health care professionals.

There are many important interests competing for State dollars, and we are appreciative of the investments the General Assembly and Governor Daniels chose to make in higher education.

Dr. Benjamin thanked the Trustees for participating in today's tuition hearing and for continuing to balance the needs and interests of the institution with a deep concern shared by this administration for maintaining affordability for our students.

As mentioned in the hearing, we are also committed to maintaining quality. This requires investments in our people and our programs. Addressing compensation was our top priority in our budget planning, and we are now focusing on a target increase of three percent in compensation for faculty and staff.

This has been a deliberate and thoughtful process where the impacts on all those affected by these decisions were carefully weighed. We did not take these issues lightly.

Today we are recommending these proposed increases in our tuition which will allow us to maintain quality while also remaining the most affordable among Indiana's research universities.

A. STUDENT ACADEMIC SEMESTER FEES FOR 2007-08 (Mr. Floyd)

Recommendation: Approval of the academic student fee schedule beginning with Fall, 2007 through Summer II 2008, presented in Exhibit A.

On a motion by Mrs. House, seconded by Mr. LaPlante, the recommendation was approved.

B. STUDENT ACADEMIC SEMESTER FEES FOR 2008-09 (Mr. Floyd)

Recommendation: Approval of the academic student fee schedule beginning with Fall, 2008 through Summer II 2009, presented in Exhibit B. Effective the Fall 2008 all students will be assessed the same rate, with distinctions remaining in place for classification and residency.

On a motion by Mr. Bonds, seconded by Mr. LaPlante, the recommendation was approved.

C. SERIES M BOND RESOLUTION (Mr. Floyd)

The University is preparing for the sale of new bonds to finance the renovation of University Hall as approved by the 2005 General Assembly for \$26,880,000 and the construction of the Student Recreation Center as approved by the 2006 General Assembly for \$21,777,301. The new bond issue will be known as Series M.

The resolution, as shown in Exhibit C, allows for authorization and approval of the sale of Indiana State University Student Fee Bonds, Series M.

Recommendation: Approval of the resolution shown in Exhibit C allowing the President of the University and/or Treasurer of the Board of Trustees to submit and obtain the necessary state agency approvals for a plan of financing and subsequent sale of Series M debt.

On a motion by Mr. Scharton, seconded by Mrs. House, the recommendation was approved.

Mr. Alley adjourned the meeting at 3:10 p.m.

INDIANA STATE UNIVERSITY
SCHEDULE OF 2007-2008 ACADEMIC SEMESTER FEES
and Summer Sessions of 2008

<u>Semester Fees</u>	<u>Resident</u>	<u>Additional Non-Resident</u>	<u>Total For Non-Resident</u>
I. Last Required Admission Prior to Summer I 2003:			
Undergraduate			
above 18 hours	\$3,161.00	\$4,707.00	\$7,868.00
12 - 18 hours	\$2,624.00	\$3,927.00	\$6,551.00
0 - 11.5 per credit hour	\$189.00	\$271.00	\$460.00
Graduate			
Per Credit Hour	\$228.00	\$290.00	\$518.00
Other Fees			
Technology Fee, Per Capita	\$60.00		\$60.00
Student Recreation Center Fee (Fall/Spring)	\$100.00		\$100.00
Student Recreation Center Fee (Summer) (on-campus, enrolled in 6 or more hrs.)	\$40.00		\$40.00
Transportation Fee (Fall/Spring) (on-campus, enrolled in 6 or more hrs.)	\$15.00		\$15.00
II. Required Admission Summer I 2003 or After:			
Undergraduate			
above 18 hours	\$3,767.00	\$4,707.00	\$8,474.00
12 - 18 hours	\$3,231.00	\$3,927.00	\$7,158.00
0 - 11.5 per credit hour	\$233.00	\$271.00	\$504.00
Graduate			
Per Credit Hour	\$294.00	\$290.00	\$584.00
Other Fees			
Technology Fee, Per Capita	\$60.00		\$60.00
Student Recreation Center Fee (Fall/Spring)	\$100.00		\$100.00
Student Recreation Center Fee (Summer) (on-campus, enrolled in 6 or more hrs.)	\$40.00		\$40.00
Transportation Fee (Fall/Spring) (on-campus, enrolled in 6 or more hrs.)	\$15.00		\$15.00

All undergraduate and graduate students who must be admitted or readmitted (application updated) for any term subsequent to Spring 2003 will be charged the higher 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.

III. Off Campus (Assessed independently of fees shown in Section I and II)

Distance Education	Charged Resident fees, if designated as a distance student, plus technology and distance delivery fees.	
Year Based Study	Charged Undergraduate and Graduate Resident fees plus distance delivery fees.	
Late-Start Extension	Charged Undergraduate and Graduate Resident fees only.	
Travel Abroad Seminar	Charged Undergraduate and Graduate Resident fees only.	
Educational Testing Service (BTS)		
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 - Last Required Admission Prior to Summer I 2003

		<u>Resident</u>	<u>Non-Resident</u>	<u>Total</u>
I. Undergraduate-FTE	2006-07			
Credit Hours-(30)		\$4,956.00	\$7,416.00	\$12,372.00
Increases per FTE		<u>\$292.00</u>	<u>\$438.00</u>	<u>\$730.00</u>
II. Undergraduate-FTE	2007-08			
Credit Hours-(30)		\$5,248.00	\$7,854.00	\$13,102.00
III. Other Fees		\$350.00		\$350.00
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IV. Graduate-FTE	2006-07			
Credit Hours-(18)		\$3,870.00	\$4,932.00	\$8,802.00
Increases per FTE		<u>\$234.00</u>	<u>\$288.00</u>	<u>\$522.00</u>
V. Graduate-FTE	2007-08			
Credit Hours-(18)		\$4,104.00	\$5,220.00	\$9,324.00
VI. Other Fees		\$350.00		\$350.00

Estimated Academic Year Fees per FTE Student - Required Admission Summer I 2003 or After

		<u>Resident</u>	<u>Non-Resident</u>	<u>Total</u>
I. Undergraduate-FTE	2006-07			
Credit Hours-(30)		\$6,102.00	\$7,416.00	\$13,518.00
Increases per FTE		<u>\$360.00</u>	<u>\$438.00</u>	<u>\$798.00</u>
II. Undergraduate-FTE	2007-08			
Credit Hours-(30)		\$6,462.00	\$7,854.00	\$14,316.00
III. Other Fees		\$350.00		\$350.00
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IV. Graduate-FTE	2006-07			
Credit Hours-(18)		\$5,004.00	\$4,932.00	\$9,936.00
Increases per FTE		<u>\$288.00</u>	<u>\$288.00</u>	<u>\$576.00</u>
V. Graduate-FTE	2007-08			
Credit Hours-(18)		\$5,292.00	\$5,220.00	\$10,512.00
VI. Other Fees		\$350.00		\$350.00

INDIANA STATE UNIVERSITY
SCHEDULE OF 2008-2009 ACADEMIC SEMESTER FEES
and Summer Sessions of 2009

<u>Semester Fees</u>	<u>Resident</u>	<u>Additional Non-Resident</u>	<u>Total For Non-Resident</u>
Undergraduate			
above 18 hours	\$3,959.00	\$4,947.00	\$8,906.00
12 - 18 hours	\$3,396.00	\$4,127.00	\$7,523.00
0 - 11.5 per credit hour	\$245.00	\$285.00	\$530.00
Graduate			
Per Credit Hour	\$309.00	\$305.00	\$614.00
Other Fees			
Technology Fee, Per Capita	\$63.00		\$63.00
Student Recreation Center Fee (Fall/Spring)	\$100.00		\$100.00
Student Recreation Center Fee (Summer) (on-campus, enrolled in 6 or more hrs.)	\$40.00		\$40.00
Transportation Fee (Fall/Spring) (on-campus, enrolled in 6 or more hrs.)	\$15.00		\$15.00

Off Campus (Assessed independently of fees shown above)

Distance Education	Charged Resident fees, if designated as a distance student, plus technology and distance delivery fees.		
Year Based Study	Charged Undergraduate and Graduate Resident fees plus distance delivery fees.		
Late-Start Extension	Charged Undergraduate and Graduate Resident fees only.		
Travel Abroad Seminar	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

		<u>Resident</u>	<u>Non-Resident</u>	<u>Total</u>
I. Undergraduate-FTE	2007-08			
Credit Hours-(30)		\$6,462.00	\$7,854.00	\$14,316.00
Increases per FTE		<u>\$330.00</u>	<u>\$400.00</u>	<u>\$730.00</u>
II. Undergraduate-FTE	2008-09			
Credit Hours-(30)		\$6,792.00	\$8,254.00	\$15,046.00
III. Other Fees		\$356.00		\$356.00
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IV. Graduate-FTE	2007-08			
Credit Hours-(18)		\$5,292.00	\$5,220.00	\$10,512.00
Increases per FTE		<u>\$270.00</u>	<u>\$270.00</u>	<u>\$540.00</u>
V. Graduate-FTE	2008-09			
Credit Hours-(18)		\$5,562.00	\$5,490.00	\$11,052.00
VI. Other Fees		\$356.00		\$356.00

RESOLUTIONS OF THE BOARD OF TRUSTEES FOR THE
INDIANA STATE UNIVERSITY BOARD OF TRUSTEES
APPROVING AND AUTHORIZING THE SALE OF THE
INDIANA STATE UNIVERSITY STUDENT FEE BONDS, SERIES M

WHEREAS, the Board of Trustees (the "Board") of the Indiana State University Board of Trustees (the "University") has determined that a necessity exists to consider financing all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of certain facilities on the University's campus in Terre Haute, Indiana, as described in Exhibit A attached hereto (the "Projects"); and

WHEREAS, the Board has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 20-12-6, to issue bonds secured by Student Fees to finance academic and building facilities on its Terre Haute campus; and

WHEREAS, the University has heretofore executed and delivered to First Financial Bank, N.A. (formerly known as Terre Haute First National Bank), as trustee (the "Trustee"), a certain Trust Indenture dated as of November 1, 1985, as heretofore supplemented and amended (the "Indenture"), for the purpose of securing its Indiana State University Student Fee Bonds (hereinafter sometimes referred to as the "Bonds"), issued from time to time thereunder; and

WHEREAS, the Treasurer of the University (the "Treasurer") has investigated, developed and evaluated a Plan of Financing (the "Plan of Financing") for the financing of all or a portion of the costs of the Projects, and has presented that Plan of Financing for approval to the Board; and

WHEREAS, the Board now desires to approve the Plan of Financing presented by the Treasurer for the financing of all or a portion of the costs of the Projects; and

WHEREAS, Article IV of the Indenture authorizes the issuance of additional series of Bonds by the University and the authentication and delivery of those additional series of Bonds by the Trustee under the conditions set forth in Article IV, which conditions have been complied with so as to authorize the issuance, authentication and delivery of an additional series of Bonds by the Trustee under the conditions set forth in Article IV, to provide the funds required to finance all or a portion of the costs of the Projects, as well as certain related costs incidental to the financing; and

WHEREAS, the Board now desires to authorize the execution and delivery of the Indiana State University Student Fee Bonds, Series M (the "Series M Bonds"), and an Tenth Supplemental Indenture (the "Tenth Supplemental Indenture"), a Construction and Rebate Agreement (the "Rebate Agreement"), a Preliminary Official Statement (the "Official Statement"), a final Official Statement, a Bond Purchase Agreement (the "Bond Purchase Agreement"), a Fourth Supplement to Continuing Disclosure Undertaking Agreement (the "Undertaking Agreement"), forms of the Series M Bonds, and any further documents required to complete the execution and delivery of the Series M Bonds; and

WHEREAS, there has now been submitted to the Board a form of Tenth Supplemental Indenture, a form of Rebate Agreement, a form of Official Statement, a form of Bond Purchase Agreement and a form of Undertaking Agreement in connection with the issuance of the Series M Bonds in an aggregate principal amount not to exceed the sum of \$48,657,301, plus amounts needed for underwriters' discount as described below and any original issue discount or bond premium, as permitted by law, costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance, which financing has been approved by the State Budget Committee of the State of Indiana; and

WHEREAS, the Board now desires to authorize and direct the President of the University (the "President") and the Treasurer to do any and all acts and things, and to make and approve all changes in form or substance to the Tenth Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Undertaking Agreement or the Official Statement, necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Plan of Financing is hereby approved with respect to the financing of all or a portion of the costs of the Projects. Further, the use of bond insurance is hereby approved in connection with the Series M Bonds.

Section 2. The issuance of the Series M Bonds by the University on the terms and conditions set forth in the Tenth Supplemental Indenture is hereby authorized in the total principal amount not to exceed \$48,657,301, plus amounts needed for underwriters' discount as described below and original issue discount or bond premium, as permitted by law, costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance. The Series M Bonds shall be designated the "Indiana State University Board of Trustees, Indiana State University Student Fee Bonds, Series M". The true interest cost of the Series M Bonds shall not exceed 6.25%, with a maximum underwriters' discount of 1.25%, and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Series M Bonds shall not extend beyond 30 years from the first interest payment date. The Series M Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to City Securities Corporation, on behalf of itself and the underwriters listed in the Bond Purchase Agreement.

Section 3. The President and the Treasurer are hereby authorized and directed to do any and all acts and things, and to make and approve all changes in form or substance to the Tenth Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Undertaking Agreement or the Official Statement necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana.

Section 4. The Tenth Supplemental Indenture is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The

President and the Vice President of the University (the "Vice President"), or either of them, are hereby authorized to execute and deliver, and the Secretary and the Assistant Secretary of the University (the "Secretary" and the "Assistant Secretary", respectively), or either of them, are hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Tenth Supplemental Indenture in substantially the form presented to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Tenth Supplemental Indenture, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Official Statement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Treasurer is hereby authorized and directed to make those changes in form or substance as are necessary or appropriate, to authorize the distribution of the Official Statement, to deem an Official Statement to be final or nearly final for purposes of applicable Securities and Exchange Commission rules, to execute and deliver the form of any final Official Statement with those changes in form or substance that the Treasurer shall approve, and to cause printed copies of the Preliminary and final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Series M Bonds, and any such prior actions are hereby ratified and confirmed.

Section 6. The Bond Purchase Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President and Treasurer, or any of them, are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Bond Purchase Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Rebate Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President and Treasurer, or any of them, are hereby authorized to execute and deliver, and the Secretary or Assistant Secretary, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on, the Rebate Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Rebate Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The Undertaking Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President, and Treasurer, or any of them, are hereby authorized to execute and deliver the Undertaking Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Undertaking Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Treasurer is hereby authorized to prepare the bond forms required for use in the issuance of the Series M Bonds, on the terms and conditions set forth in the Tenth Supplemental Indenture, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Tenth Supplemental Indenture and the Indenture. Upon execution of the Series M Bonds, the Treasurer shall deliver the Series M Bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Series M Bonds to the purchasers thereof on payment of the purchase price, which price shall reflect the underwriters' discount permitted by this Resolution and original issue discount or bond premium, if any, as permitted by law.

Section 10. The President, Vice President, Treasurer, Secretary and Assistant Secretary, or any of them acting singly or jointly, are hereby authorized and directed to do any and all further acts and things necessary underlying the execution and delivery of such additional or supporting agreements, documents or certificates as may be requested or necessary in order to complete the transactions contemplated by the Bond Purchase Agreement, the Tenth Supplemental Indenture, the Rebate Agreement, the Undertaking Agreement and the Official Statement hereby authorized.

Section 11. The Board hereby approves the calculations made by the Treasurer with respect to the coverage factor of Student Fees to Maximum Annual Debt Service after the issuance of the Series M Bonds, all as shown in the Official Statement for the Series M Bonds.

Section 12. The Board hereby ratifies the selection of, and appoints, (i) City Securities Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Edward D. Jones & Co., L.P., Piper Jaffray & Co., and Backstrom McCarley Berry & Co. LLC as underwriters for the Series M Bonds, (ii) Ice Miller LLP as bond counsel for the Series M Bonds, and (iii) Freeman-Wilson & Lewis-Shannon, L.L.C. as co-bond counsel for the Series M Bonds.

Section 13. The President, Vice President and Treasurer, or any of them, are hereby authorized to select a bond insurer, and to accept any commitments and execute any agreements which may be necessary or advisable in connection with bond insurance, for the Series M Bonds.

Dated May 15, 2007

EXHIBIT A

The Projects

(1) University Hall Renovation

The project involves major upgrades in the building systems of University Hall, thereby improving temperature control, enhancing air quality, and enhancing access to technology to accommodate the College of Education. The existing interior spaces of the building also will be reconfigured to enable academic programs to function more effectively and to meet ADA and OSHA standards.

(2) Recreation Center

The project involves the construction of a 109,420 gross square foot facility to house student recreation activities. The Student Recreation Center will contain (among other things) a three-court gymnasium, fitness center, recreational aquatics, elevated running/jogging track, locker rooms, and office space. The facility will provide expanded programming for student recreational and fitness activities, promote healthy collegiate lifestyles, and encourage life-long commitment to general fitness.

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SPECIAL MEETING

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Recommendation: Approval of the academic student fee schedule beginning with Fall, 2007 through Summer II 2008, presented in Exhibit A.

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Recommendation: Approval of the academic student fee schedule beginning with Fall, 2008 through Summer II 2009, presented in Exhibit B. Effective the Fall 2008 all students will be assessed the same rate, with distinctions remaining in place for classification and residency.

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