

UNIVERSITY SENATE
Second Meeting, Monday, 17 October 2005, 2:30 p.m.
Room 302, Stewart Center

AGENDA

1. Call to order Professor Timothy L. Skvarenina
2. Approval of Minutes of 12 September 2005
3. Acceptance of Agenda
4. [Remarks by the Provost](#) Provost Sally Mason
5. [Report of the Chairperson](#) Professor Timothy L. Skvarenina
6. [Resume of Items Under Consideration](#)
by Various Standing Committees For Information
Professor Herbert L. Weith
7. Question Time
8. [University Senate Document 05-1](#)
Nominees for University Senate Standing
Committees For Action
Professor Charles E. Kline
9. [University Senate Document 05-2](#)
Proposed Change to the Senate Bylaws For Action
Professor Timothy L. Skvarenina
10. [University Senate Document 05-3](#)
Elimination of Redlining (Grade Index Adjustment) For Discussion
Professor Carol L. Baird
11. [Environment for the Purdue 2006 Health Plan](#) For Information
Brent Bowditch
Assistant Director of Human Resources
12. New Business
13. [Memorial Resolutions](#)
14. Adjournment

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Present: *Timothy L. Skvarenina (Chairperson of the Senate) presiding, Professors Olayiwola Adeola, Kristine J. Anderson, Ann W. Astell, Carol L. Baird, Thomas Bauman, Alan M. Beck, JennieMarie Blankert, James E. Braun, Stephen R. Byrn, Joseph W. Camp Jr. (Secretary of Faculties and Parliamentarian), Natalie J. Carroll, Yan Chen, Susan E. Conners, Patrick E. Connolly, Christine L. Corum, John P. Denton, Sharon DeVaney, Joseph C. Dorsey, Linda M. Duttlinger, Janusz Duzinkiewicz, Richard O. Fanjoy, Scott L. Feld, Wendy S. Flory, Greg N. Frederickson, April J. Ginther, Alten F. Grandt Jr., John G. Graveel, James P. Greenan, Bruce R. Hamaker, William A. Harper, Nathan W. Harter, Sally A. Hastings, L. Tony Hawkins, Jessica D. Hoffman, Vicki J. Killion, Charles E. Kline, Christine M. Ladisch, Michael L. Leasure, Andrew U. Luescher, Sally Mason, Sean M. McDeavitt, James D. McGlothlin, David R. McMillin, Cary A. Mitchell, Robert E. Montgomery, Mark T. Morgan, Mark M. Moriarty, P. Jane Morris (Sergeant at Arms), Hisao Nakanishi, Cindy H. Nakatsu, David E. Nichols, Richard C. Penney, Carolyn C. Perrucci, Laura J. Pyrak-Nolte, Patrice D. Rankine, Thomas B. Robinson, George E. Rogers, Alysa C. Rollock, Keith E. Schwingendorf, Jie Shen, Louis A. Sherman, Timothy L. Skvarenina, Glenn G. Sparks, A. Charlene Sullivan, Bernard Y. Tao, Volker K. Thomas, Marion T. Trout, Philip J. VanFossen, Ralph Webb Jr., H. Lee Weith, Clarence W. Wilkerson, and David J. Williams.*

Absent: *President Martin C. Jischke, Professors Howard Adler, James E. Alleman, Rodney J. Bertolet, George M. Bodner, J. Stuart Bolton, James R. Bottum, Charles A. Bouman, Mark D. Bowman, John J. Contreni, Lawrence P. DeBoer, Otto C. Doering III, David R. Gaskell, Gabriele F. Giuliani, R. Neal Houze, Douglass F. Jacobs, James L. Jenkins, Wayne W. Kjonaas, Daniel J. Kovenock, Ananthanarayan Krishnan, Robert A. Kubat, Thomas Kuczek, C.S. George Lee, Morris Levy, Julie R. Mariga, Rabindra N. Mukerjee, Ganesan Narsimhan, Morgan R. Olsen, Michael R. Oliver, Frank V. Paladino, Barry R. Pittendrigh, J. Paul Robinson, William T. Robinson, F. Robert Sabol, John A. Sautter, Alain S. Togbe, Gerald S. Wasserman, Sirje Laurel Weldon, Thomas Wilson, Yuehwern Yih, William J. Zinsmeister, and Michael D. Zoltowski.*

Guests: *Ben Arjomandi, Brent Bowditch, Doug Christiansen, Kauline Davis, Spencer Hahn, Christine Leasure, Amy Raley, Lori Shipley, Ben Steckler, Jeff Vitter*

1. The meeting was called to order by the chairperson of the senate, Professor Timothy Skvarenina at 2:35 p.m.
2. The minutes of the meeting of 12 September 2005 were approved as distributed.
3. The agenda was presented. Professor Skvarenina moved to amend the agenda to include Document 05-2, *Proposed Change to the University Senate Bylaws*, for Action. His motion was seconded and approved unanimously by voice vote.
4. Provost Sally Mason presented remarks to the Senate (see Appendix A). She answered several questions from the floor.

5. The report from Chairperson Professor Timothy Skvarenina is included as Appendix B.
6. Professor H. Lee Weith, the chair of the Steering Committee presented, for information, the Resume of Items Under Consideration by Various Standing Committees (see Appendix C).
7. At question time the secretary reported no questions had been submitted in writing and the chair invited questions from the floor. No questions were forthcoming.
8. Professor Charles Kline presented, for action, University Senate Document 05-1, *Nominees for University Senate Standing Committees*. He placed into nomination the following: for the 2 vacancies on the Educational Policy Committee he nominated Professors Andrew U. Luescher (2) of Veterinary Clinical Sciences and James D. McGlothlin (3) Health Sciences; for 3 vacancies on the University Resources Policy Committee he nominated Professors Charles A. Bouman (3) Electrical & Computer Engineering, Stephen R. Byrn (3) Industrial and Physical Pharmacy, and Louis A. Sherman (3) Biological Sciences. The persons elected are to serve the period of years shown following each name. Professor Kline moved acceptance of the document. This motion was seconded and approved by a voice vote without dissent.
9. Professor Timothy Skvarenina presented, for action, University Senate Document 05-2, *Proposed Change to the Senate Bylaws*. He noted that the change would clean up the transitional language involved in electing the chair and vice-chair of the Senate for the current term. Professor Skvarenina moved approval of the document. His motion was seconded and the document was approved on a unanimous voice vote.
10. Professor Carol Baird presented, for discussion, University Senate Document 05-3, *Proposed Change to University Regulations*. The document was created to address student abuses of the “redlining” or grade index adjustment policy. Redlining or grade index adjustment allows students who change majors to have courses removed from their graduation index if the courses are not required or do not meet requirements for the new major. Students can have courses removed regardless of the grade earned, although the majority of courses (~ 85%) that are redlined are those in which the student earned grades of D or F. An example of abuse occurs when students change majors (change of degree objective or CODO) into a major that allows them to redline or remove courses from their grade index. These students have their grades of D or F removed from the grade index and then change back into the original major with a “clean slate.” Other students have used redlining to maintain a GPA sufficient to allow them to keep their scholarship money by changing majors. Of course, many students use the system as it was intended and remain in their new major. Even when used as intended, these various changes result in a student transcript that is difficult to interpret for people from outside Purdue and, according to Vice President Doug Christiansen, a transcript that does not reflect all of the grades that students earn during their time at Purdue. Thus potential employers often find it difficult to decipher the Purdue transcript of a potential employee or compare a Purdue transcript with a transcript from another university. Ms. Chris Leasure from the Registrar’s Office stated that the current legacy system does not capture 2nd majors or minors, which have to be

handled manually. This further complicates the transcript and student record keeping. The introduction of the new OnePurdue software will also require a more consistent policy across campus because the “out of the box” OnePurdue software does not have the code that is needed for the redlining system. VP Christiansen emphasized that it is up to the faculty to decide what the policy will be and the OnePurdue project is not the primary impetus for the change in policy. The OnePurdue team that is working on the student records part of OnePurdue will await the outcome of the debate in the Senate and among the faculty.

A vigorous and extensive discussion followed the introductory remarks. Professor McGlothlin asked how the redlining policy originated. Professor Bauman stated that the redlining policy was a legacy of the Vietnam War era. During that time, students tried to earn a GPA that would allow them to remain in college and maintain their Selective Service deferment to avoid the draft. Several Senators spoke in favor of removing redlining. Their arguments centered on curbing abuse of the policy and bringing Purdue University into line with its peer institutions and other Big 10 institutions. It was noted that redlining is already forbidden by the NCAA for student-athletes and the Veterans Administration does not permit it for students it supports. Additionally, there is no consistent campus-wide policy for redlining and some departments do not allow it at all (see attachments with Document 05-3). A concern was also expressed that redlining might lead to grade inflation. Senator Hoffman, the undergraduate representative, spoke against a complete abolition of redlining and asked that changes focus on eliminating abuses, rather than complete elimination of the practice. Professor Duttlinger and others spoke in favor of redlining based on their own experiences as students or the experiences of their advisees. In these cases, the students were not abusing the system but changing majors to one that better fit their interests and talents. Professor Connors from Purdue Calumet was concerned about how the policy would be implemented on the regional campuses and how it would affect transfers between or among campuses. She also said that redlining allows advisors to match up courses and course equivalencies when students transfer from other Purdue campuses. Professor Montgomery was concerned that eliminating the policy would be “throwing the baby out with the bath water” and urged that a replacement policy be implemented before the elimination of redlining. Several other Senators agreed that without a replacement policy the changes seemed draconian. It was noted that the document contained the statement, “By a majority vote, the EPC brings the following proposed changes in the University Rules and Regulations to the Senate for action,” but the document did not contain a list of who voted. The committee members indicated that there were three votes against the proposal. Professor Penney indicated that although he voted for the document, his support was not very strong. Professor Flory suggested that the Georgia Tech model of course “forgiveness” (see attachments with Document 05-3) might be a suitable replacement for the redlining policy. There was considerable sympathy for a replacement policy and support for the position that redlining should not be eliminated until such a policy was brought forth. The consensus of the Senate was that more discussion and input was needed and the discussion will continue at the next Senate meeting. The members of the Educational Policy Committee will take the suggestions of the Senators under consideration. Additional information about redlining practices and possible alternatives is included with the document 05-3 and its attachments.

11. The chair introduced Brent Bowditch, Assistant Director of Health Benefits. Mr. Bowditch presented an update on the health benefits program changes that can be expected and progress that has been made in reducing costs and expanding coverage over the last several years (Appendix D). Mr. Bowditch answered several questions from the floor.
12. There was no new business.
13. One memorial resolution had been received for Keith Dowden, Assistant Director for Special Collections, Purdue University Libraries. At the chair's invitation the senators rose and remained standing for a period of silence out of respect for their departed colleague. The resolution is attached to these minutes and copies will be sent to the next of kin.
14. The meeting adjourned at 4:40 p.m.

REMARKS BY PROVOST SALLY MASON

Good afternoon. Martin Jischke is out of state this afternoon. He does not like to miss these meetings, but sometimes it is unavoidable. In his absence I have the opportunity to speak with you today, and I can tell you I enjoy having this chance to interact with you. I look forward to any questions and comments you might have at the end of my presentation.

Clearly one of the key aspects of our Strategic Plans and Campaign for Purdue is new faculty hires. We have set a goal; I think everyone here knows, that we are adding 300 faculty positions to the University. And more than just trying to add positions, we are looking for the very best people in the world to help move the campus forward in this 21st century. We are also looking for underrepresented minorities and women to diversify this faculty along with the diversification efforts among our staff and student enrollment as well. Now as of this fall we have added to the budget 200 of the Strategic Plan new faculty positions. That doesn't mean that they're all filled and I will say more about that in just a second. Our goal over these last two years of the Strategic Plan is to hire 50 more in each of these last two years so that we will complete the goal by the end of the Strategic Plan 2007. We will reach 300. Now although we have created these positions, as I mentioned, I can tell you that they have not all yet been filled. As you know, this is not a fast process. Nor should it be. And I know that probably everyone in this room has been involved in one or more faculty searches in recent years and again that's as it should be too. As we add faculty to our campus we are taking great care to bring people here who will enhance our learning and research environment and I think that's very important. We have hired people this fall that have not yet shown up in the numbers that I am about to give you, so if the numbers don't reflect 200, part of the reason why is that our counting is always a little slower than the actual physical bodies that may be present on campus. And, that is to some extent a reflection of our rather antiquated system here which we are also working on. So we are still pulling together the information for this academic year, but from the onset of our Strategic Plan in 2001 through May of 2005 we have added 133 new Strategic Plan hires and those people do exist on our campus today as part of the regular faculty. This includes nearly 100 new assistant professors, 16 associates and 17 fulls – which is great representation across all of the ranks considering what a challenge it can be to hire at the more senior level. I think we are doing a good job all across the ranks. Our other faculty hires during this same period, the ones that are making up for retirements and other departures totaled 366 (which averages to a typical hiring rate of about 100 faculty each year, annually). That's what we would normally do if we weren't in the Strategic Plan hiring mode in addition to regular replacement hiring mode. So instead of doing typically a hundred faculty searches a year, we have been averaging somewhere between 150 and 200 searches each year for the last 3 years. Which is a phenomenal number of searches and is why you are all getting to eat out a lot, entertain a lot and hopefully enjoy meeting potential new colleagues frequently. Together, if you add together the new positions with the replacement positions we have from 2001 – 2005 hired 499 new faculty. Which is a big number. Now of this total, 58 percent were female and/or minority hires. In fact, we almost doubled the number of women hired in a given year. We went from 36 in 2001-2002 (which was my first year here) to 63 hired in 2004-2005. We have also more than doubled the number of minorities hired in a given year as well as from about 22 in 2001-2002 to 51 in 2004-2005. Now this is really outstanding progress

and I want to congratulate everyone in the room today for all that you are accomplishing. This represents a lot of very hard and good work on the part of the faculty. We really truly do have an opportunity to put a new face on this faculty at the start of the 21st century – one that is much more representative of our state and of our nation. Now I will tell you this as an aside, when I ask my colleagues at other Big 10 or AAU universities how many years would it take them to turn over their entire faculty if they followed their normal patterns of a normal recruiting cycle, most of them estimate about 30 years. That a typical faculty – total faculty turnover rate – is roughly 30 years. Well based on our current rate of replacement and recruitment of faculty into new lines, Purdue is going to accomplish this same full turnover of the faculty in nearly half the time, roughly 15-16 years (instead of 30), and we will be nearly halfway there some time during the next 2-3 years, which again is a phenomenal accomplishment. So where are all of these new hires? I get asked that question frequently. Well they are literally across the entire University. There is not a single academic unit on the campus that hasn't been influenced or affected in some way by new faculty hiring. I would say that certainly during this past year Liberal Arts, Science, Agriculture and Engineering had phenomenal hiring years in terms of number, of quality and all of the kinds of factors that you would look at with regard to faculty hiring.

Now I want to turn next to something that is very tightly coupled with our faculty and that's research. Our research initiative is also experiencing some incredible results. And I want to congratulate especially the Vice President for Research, Chip Rutledge, and once again all of you. He didn't do this by himself. In fact it was largely your fault that we are having the success that we are having right now. At the start of last year, we had a goal – you heard the President talk about his priorities – and we had a goal of reaching \$250 million in sponsored program activities. This was a very aggressive and challenging goal we thought, as all goals should be. And once again, thanks to you I can stand here today and I can say that we not only met our goal, we went well beyond that goal. Purdue's sponsored program research went from what had been \$243 million in 2003-2004 to almost \$300 million – in fact \$294 million dollars in 2004-2005. That's an increase of \$51 million dollars in one year. We are optimistic, obviously, that we can repeat that. I think it is simply incredible. I know that all of you work very hard to accomplish this great success, but as we do here at Purdue University, we've upped the goal yet again and this year our sponsored program goal for 2005-2006 is set at \$300 million. Which if we could do another 51 over last year, we should exceed by a great measure. But we have room to grow here; we believe there is a lot of potential, unmet potential, at Purdue for growing this sponsored program activity. And we are well on our way to growing it.

Now let me also say a few words about Discovery Park. Discovery Park is open. In fact just over these past 2 weeks, we have dedicated our Nanotechnology Center and the Bioscience Center out at Discovery Park. The Center for Entrepreneurship opened last year and we are just about to break ground on the e-Enterprise Center and begin its construction. If you haven't noticed the biomedical engineering building looks very, very good and in fact if you just went by the outside you might think the building was done. It's not quite. It will be open next fall and it is a magnificent structure. I like to think of the biomedical engineering building as part of Discovery Park Phase II and we have a number of other facilities that are planned towards Discovery Park Phase II as well as inclusion of a structural biology building which many of us are anticipating with great excitement. Thanks to input from our faculty who came up with more than 50 suggestions when we had a call for proposals last year for new Discovery Park Centers, we have now launched four new centers in Discovery Park:

- a Center for the Environment,
- a Cyber Center,
- an Energy Center,
- and an Oncological Sciences Center.

We are now looking at this point in time to fill some of the key directorships in the Discovery Park Centers, but there are a number of searches that are on-going to fill the center directorships that are part of this effort. We are working to strengthen our research on many, many different fronts – we are also pursuing more strategic research partnerships with the Indiana University School of Medicine. One of the areas we know we can grow in and we know we have a lot of potential for growth happens to be in the Basic Life and Medical Sciences and to partner with the School of Medicine simply increases the capacity for that growth – it happens, we hope, faster and better.

Let me also say now a few words about our international activities. Purdue continues to be a major international university with one of the largest enrollments of international students in the United States – we are always in the top one, two or three of universities in the country when it comes to international student enrollments. We are working to build on this. I believe we probably used to follow an old adage that if you build it they would come, and we now know that's not true, that we actually have to work at this. We think our international student component is an important one for many, many reasons. We are aggressively working to bring international students to our campus rather than simply waiting for them to find us. We are encouraging our American students also to take advantage of study abroad opportunities. We think that's a very important part of a student's education today. Many of them will be in a global work force – in a global or international company and to have that experience simply gives them a leg up in the employment field.

Some of you may know that we have an Asia Initiative that's underway at Purdue. The director of our Asia Initiative Program is Matt Sikora in the International Programs Office. Our Asia Initiative is actually a campus-wide effort that's designed to help Purdue focus its programs and faculty on alumni and a select group of institutions in India and China. We know we can't be everywhere in Asia, but we thought it made sense to really focus in on some of the best institutions that we know are present in these countries, and frankly where we have a lot of alumni. These are two countries, India and China, from which we draw our largest number of international students. They are also areas of the world that are clearly emerging to be important trade and intellectual partners of the United States. Together, these two countries represent a third of the world's population. So our initiative will focus on developing university partnerships and linkages by:

- encouraging collaborative research and interaction among faculty here at Purdue and those in China and India;
- we will also encourage recruiting the best and brightest students from these two countries to come to our campus;
- and developing opportunities for our Purdue students to study abroad in China and India – something that we at one time I think thought was difficult perhaps impossible, but we now know that it's very possible and not all that difficult.

We are also encouraging development of alumni clubs in the major population centers of China and India; and we are finding that in fact there is great interest in these types of activities. We are calling upon many of our successful alumni and parents in these two countries to help support our many needs here at Purdue.

This is a very exciting effort and it's one that I believe will have enormous impact on the future. This past weekend during Homecoming we actually had a reunion of alumni from India here on campus. In fact it was President Jischke who made a visit to India last year who initiated the whole notion and idea of having a homecoming celebration for our Indian alumni and students during Homecoming Weekend and that actually did happen. This fall, as you heard, the president also visited alumni and officials in universities in China, and he continues to be very, very enthusiastic about what we see and learn and potentially can do internationally.

Now switching gears again I want to say a few things about diversity on our campus. I've talked about diversity and its strategic importance to Purdue many times during my four years as Provost. As some of you know, I have been working for the past year with a group that for want of a better term, we have coined the term the Diversity Leadership Group. This group consists of faculty and staff from across the University. Our members include people from nearly every major academic unit on campus as well as excellent participation from Vice President Rollock's office. Now we formed this group to develop a plan for campus-wide diversity efforts. We're busy at work on this task and very shortly we will be sharing the fruits of our labor with many constituencies across the University for feedback. We are finally at the point where we want to get more feedback and have more of a sense of whether our ideas will resonate with the entire campus once we roll them out. Eventually, we'll share the plan with everyone. So I hope you will be patient as we continue our work and we will eventually roll out what we think are some pretty exciting ideas on how best to continue with diversity efforts for our students, for our faculty, for our staff, and to make Purdue a better and more welcoming environment for everyone.

Now some of you may know or may not know that Kauline Davis has been named as assistant in my office with specific responsibilities which include diversity. I think Kauline, Kauline are you back there? There she is. Stand up and wave. That's Kauline and if you haven't met Kauline – Dr. Davis is a newly minted Ph.D. from Purdue University. She's been here in a variety of graduate programs over the years and I am really delighted to be working closely with her on these efforts. She has been with our diversity leadership group since its very beginning. So helping me continue with that work was one of the key efforts that she is responsible for and she is also very creative in that capacity. She is and will be coordinating and facilitating a variety of diversity related activities from the Office of the Provost. She is also working closely with Chris Ladisch and the Commission on Higher Education in terms of getting academic programs through the Commission. So those of you, especially from regional campuses, that know how much of an effort is put into your programs and program development through Chris and her work will now have another resource in our office to work with as well.

We know that both matriculation and retention of underrepresented minority students are critical for our campus, and we continue to look for new and better ways to do these things. We also seek greater diversification of our staff and we have plenty of work that we can do in all three of these areas. I want to mention a second working group that has formed that some of you may know about. There is a Diversity Task Force through the Office of our Executive Vice President and Treasurer, Morgan Olsen. And part of our

effort in diversity as I mentioned is to increase minority staff hiring. Increasing minority hiring not only opens up opportunities for people seeking employment it also helps to make this campus a better place for all of us to be. It improves the overall diversity environment.

In addition, earlier this year we created the Purdue Office of Supplier Diversity Development. This is led by Jesse Moore. If you haven't met Jesse he is quite a dynamic individual working from the business side of the shop. His office cultivates opportunities for qualified minority and women-owned businesses to partner with Purdue as the university continues to grow. We are working harder and harder to make sure that the MBE's and WBE's as they are called are included in the kinds of work that we do around Purdue University and we have plenty of work to do. The Office of Supplier Diversity Development provides centralized services for Indiana minority and women business owners.

And then third, and certainly not last by any means, we have formed a Committee for Student Access and Success through the Office of the Assistant Vice President for Enrollment Management and Dean of Admissions, Doug Christiansen. And I think Doug is sitting back there too today. This group is working expressly on minority recruitment, enrollment, retention and graduation. This is why they use the word "success" rather than "retention." Success is more than retention. It is graduation, in the very, very real sense.

Let me say a few words about facilities. Our Strategic Plan for facilities is having an enormous impact on our campus, students and faculty. If you were here this summer and you tried to drive around campus – good luck. That was probably the biggest challenge you had is finding a way around all of the various construction projects. On our West Lafayette campus, we have more than half a billion dollars' worth of projects currently underway. Either recently completed or in many cases nearing completion or soon to be completed. This is more than at any other time during the history of Purdue and again it's all part of our plan to transform this campus for the 21st century. In addition to the existing construction projects, if you were paying attention during the last two weeks of constant barrage of announcements and gifts you probably heard about several more projects that were announced. We have about another \$250 million worth of projects in planning.

I would tell you that we continue, even with all the new construction, to be very concerned not only with new buildings but also with our existing infrastructure. We would be remiss if we did not pay attention to the existing infrastructure. And as you know, one of our major initiatives that we have now discussed with the Governor and with the General Assembly is the repair and rehabilitation on our campuses. Purdue, in its whole, encompasses over 400 buildings spread across more than 18,000 acres on four campuses and numerous agricultural and research properties across the state. So we are by no means thinking only in terms of what's happening here in West Lafayette, or what's happening in North Central or what's happening on the Agricultural outposts, as I like to call them.

On our West Lafayette campus alone the capital holdings represent a capital investment that exceeds \$4 billion. This is a big number. The replacement value of academic and administrative buildings alone on our West Lafayette campus is estimated to be about \$2.8 billion. So were we to be wiped out by a disaster — I better not even suggest that — that would be the cost of replacing the buildings just on this campus alone. So protecting this investment is our highest capital priority. Now a major aspect of protecting this investment is the annual repair and rehabilitation. During the past four years, Purdue campuses have

received less than \$4 million in state repair and rehabilitation. This is a reduction in the long-standing formula that called for investing \$56 million in Purdue repair and rehabilitation during that same time. The full state formula calls for Purdue to receive \$34 million for the biennium system-wide for repair and rehabilitation, or \$17 million per year. Of that, \$30 million is for West Lafayette over the biennium, or \$15 million per year. Now this chart shows the R&R funding formula for West Lafayette and the yellow line is the amount we actually received. You can see the steep decline down to zero in 2001-2003; even I can figure that out. There have been many reasons for this. We all understand the difficult times that we have been through; that the state has been through, and that's certainly been one of the major driving forces for what happened here. But there have been consequences as well. The consequences are that we now have a deferred maintenance backlog that is currently estimated at more than \$413 million. This breaks down roughly into two parts. First, there is deferred repair — things that are broken — things that need to be fixed, such as leaky roofs.

Our deferred repair total has now reached \$120 million. Second, there's deferred renewal — things that need to be upgraded to meet current program needs. A science lab constructed in the 1950s cannot meet the needs of today in either learning or discovery. It also typically falls short of building codes that have advanced over the years. So Purdue's deferred renewal is estimated at an additional \$293 million. Those two numbers together give us the \$413 million in R&R that we've estimated thus far. So if these situations are not dealt with they are simply not going to go away. That isn't how these things work. You all know that. If you are home owners waiting too long to fix the roof can sometimes have rather expensive and catastrophic consequences. In fact, they are not going to go away they only become worse as the years go by and the condition of our facilities further deteriorates.

So what are we doing? Well, we are not standing idly by hoping that things will change in the state and some how they will find \$413 million to make our lives easy. In fact, this fall the State Budget Committee was in West Lafayette and at that time we presented to the committee a proposal for dealing with the R&R situation. Now this is still only in the discussion stage at this point in time. We haven't gotten approval at this point. We are hoping for it. But this plan addresses the repair and rehabilitation on our campuses through a partnership between the university, our students, our donors and our state. So in other words we are proposing four different partners in helping us fix this rather serious problem.

Many of you remember that last May our Board of Trustees approved a dedicated fee on all of our campuses for new students beginning in the fall of 2006 a year from now. Money generated from this dedicated fee will be combined with funds from the state and other reallocated Purdue resources to address the repair and rehabilitation situation. Funds from this new fee will go only toward repair and rehabilitation. So we have delayed starting this fee until the fall of 2006 to provide advance notice of the initiative so students weren't caught off guard and our existing students won't suffer the vagaries of our having posed a new fee assignment. But this means the students considering enrolling at Purdue will be aware of the fee before making their final decision. So Purdue will cost more next year. Students already enrolled as of the spring of 2006 will not pay this fee. Now, we will be increasing student aid to partially offset the impact of this on our highest-need students. That's another high priority for us. The annual repair and rehabilitation fee at the West Lafayette campus will be \$250 for newly-enrolled, full-time students beginning in the fall of 2006. And this dedicated repair and rehabilitation fee will generate about \$7.3 million

annually on the West Lafayette campus by the fall of 2011 when it's fully implemented. It will take that long before all students at Purdue are paying that fee. This will allow us to make progress. We are addressing the R&R issue by breaking it into three parts and using this fee. First, we have to address the ongoing, continuing repair needs of today and tomorrow on our campuses. At Purdue, we have established a goal of setting aside \$15 million annually for ongoing repair and maintenance as called for in the original state R&R formula. You remember back to that first slide I showed you. Our original formula said that we really needed \$15 million a year in annual R&R to keep things going at a normal pace. Second, we have to address the deferred repair needs of \$120 million. And third, we must address the rehabilitation needs of \$293 million. Now let me talk a little about the \$15 million annually for ongoing repair and maintenance, because that is going to come from five sources. You can see them here. First, we will use \$1 million from our current general fund budget. In other words we budgetarily decided to set aside a million dollars for this. Second, a portion of the new student repair and rehabilitation fee will also be used. Third, we will use some of the growth in our F&A, our facilities and administration reimbursement revenue, from our research, because after all we are repairing research facilities right along with all of the other facilities that we have on campus. We are not using all of the F&A return, but we are using some portion of it. And fourth, we will use the current state repair and rehabilitation funding at 50 percent of the formula — \$7.3 million. In other words, annually we will be asking the state to provide the match of \$7.3 million, roughly, that they will be putting up. Now fifth, we will add the internal Purdue reallocations in fiscal years 2006, 2007, and 2008 to bring the total to \$15 million annually as the new fees and reallocations ramp up over the next five years so that the actual proportion of these things changes over five years because the student fee kicks in over that period of time. We will make up the difference with reallocations between now and 2011. So by 2011 we should have a pool of roughly \$16 million — somewhere between \$15 and \$16 million a year — annually that we have now set aside for R&R. I would like to go back to the other bigger pieces of this, let me talk a little bit about the deferred repair, \$120 million. Here we have a two-part proposal. First of all, we are asking the state for authority to bond, to come up with the capital to deal with a major portion of these deferred repair problems. And second, we are asking that the state of Indiana match us in this effort. So in other words if we bond \$60 million, will the state also match \$60 million to help us with the \$120 million deferred repair bill that we have? We propose that Purdue contribute from reallocations and dedicated student fees an amount that will grow from \$1.2 million in 2007 to \$4.8 million by 2012. This will allow us to bond the \$60 million — or one-half of the \$120 million — over the next four years, roughly at \$15 million per year. We are asking again the state, as I mentioned, to match this with \$60 million over four years, so \$15 million roughly a year. That will enable us to eliminate the \$120 million in deferred repair. So those are two of the key pieces of this plan and then let me mention the last piece with the on-going situation of the deferred repair being dealt with. The final issue to be faced is the deferred rehabilitation. Now for this we are asking the state to fully fund the repair and rehabilitation formula which would provide us with an additional \$7.3 million for deferred rehabilitation catch-up. This money would be matched with targeted private fund raising and unrestricted gifts to Purdue as well as special state capital requests. So you can expect to see perhaps more naming or renaming of facilities to honor our alumni who are willing to step up and help us with gifts. We hope to have state money that we can leverage their gifts with so that we can get these projects done sooner rather than later. We also, of course, hope to be able, and part of the plan rests on being able, to make special state capital requests so that when we have a need for a special project that requires a large sum of money at one time that

we are allowed and encouraged to do that as well. So we will address the deferred rehabilitation as these funds allow.

These are not easy issues to deal with. They were not easy issues to take on and try to figure out a plan for; we think the proposal is a rational one. It does depend again on the state having the where-with-all to help us financially, but we are by no means asking the state to come up with all of it. In fact, we are coming up with a large portion of these funds on our own. Now Purdue and the state of Indiana enjoy a national reputation for exemplary stewardship of our physical facilities. That hard-won reputation is what's at risk here. We really don't want that to become the case. We are asking the state to join with us to solve the problem now. So through this proposal, we are not asking the state to fully fund the repair and rehabilitation backlog at Purdue, but rather we are asking them to join us in solving this problem together. Gaining access to the tools necessary to help ourselves is absolutely fundamental to our success — the hallmark of this administration — and it is certainly one that we plan to continue working with the General Assembly and the Governor to deal with this very important issue. I am going to stop here now and see if any of you have any questions or comments. Thank you.

REPORT TO THE UNIVERSITY SENATE - PROFESSOR TIMOTHY L. SKVARENINA

Good afternoon, I'll keep my comments brief today, as I expect we will have significant discussions on the later agenda items.

The Board of Trustees met on September 23rd. President Jischke gave an overview of the state of the campus and spent significant time discussing the R&R problem and the approach to reducing the backlog, including a new fee for new students starting next fall. Provost Mason introduced three new named and distinguished professors. Professor James Leary was named the School of Veterinary Medicine Professor of Nanomedicine, Prof. Mark Bernstein was named to the Joyce and Edward Brewer Chair in Applied Ethics, and Prof. Scott Jackson was named to the Wickersham Chair of Excellence in Agricultural Research. Congratulations to all of them.

Dean of Admissions Doug Christiansen gave a report on student enrollment and retention. The full report is available on the Board of Trustees website, so I will just mention a few highlights. Retention and graduation rates have been moving up, although we still trail many of our peer institutions. Not surprisingly, graduation rates increase with SAT scores and class rank. Although minority enrollments are up, there is still a way to go. Unfortunately, there has been a downward trend in women undergraduate enrollment over the past few years. Enrollments at the regional campuses have increased, and the FTEs have increased even faster.

I reviewed some of the happenings in the Senate and committees, PSG President Jessica Hoffman gave her report emphasizing the work students had done to raise funds for the hurricane disasters. Representatives of the regional campuses also gave brief reports.

A number of department name changes and reorganizations were approved for North Central, Calumet, and Fort Wayne. In particular, several of the schools at Fort Wayne were changed to colleges.

The trustees also approved the 2006 medical benefits program for faculty and staff and we will hear about that from Brent Bowditch in a bit.

Last week Joe Camp and I met with members of ITAP to discuss the faculty and senate websites. We are coming up with a plan to update them and allow us to be able to keep them up to date. Our goal is to have all senate documents, from the beginning of the Senate, available online.

The new smoking policy seems to be going well. Although I am sure most of us have observed some violations, a large majority of smokers are adhering to the new policy. I would like to thank everyone for their cooperation. I know I certainly enjoy being able to walk into Knoy Hall without having to breathe smoke outside the doors. Thank you, I would be happy to entertain any questions.

Respectfully submitted,
Timothy L. Skvarenina, Chair

TO: University Senate
FROM: Herbert L. Weith, Chairperson, Steering Committee
SUBJECT: Resume of Items Under Consideration by the Various Standing Committees

STEERING COMMITTEE

Herbert L. Weith, Chairperson
weith@purdue.edu

The primary responsibility of the Steering Committee is the organization and distribution of the agenda for each meeting of the University Senate. This committee also receives communications from any faculty member or group of members and directs such communications to appropriate committees or officers for attention.

ADVISORY COMMITTEE

Timothy L. Skvarenina, Chairperson of the Senate
tskvaren@purdue.edu

The responsibility of the University Senate Advisory Committee is to advise the President and/or Board of Trustees on any matter of concern to the faculty.

NOMINATING COMMITTEE

Charles E. Kline, Chairperson
chuck@purdue.edu

The Nominating Committee is responsible for presenting nominations for the University Senate and University committees. In filling committee vacancies the Nominating Committee seeks to have all interested Senators serve on at least one committee.

EDUCATIONAL POLICY COMMITTEE

George M. Bodner, Chairperson
gmbodner@purdue.edu

1. Transfer credit
2. Distance learning courses
3. Evaluation of the University Honors Program
4. Redlining Policy

FACULTY AFFAIRS COMMITTEE

Mark T. Morgan, Chairperson
mmorgan@purdue.edu

1. Grade Appeals Process
2. Committee on Informetrics
3. Follow-up on faculty development review
4. Tenure Promotion Process

STUDENT AFFAIRS COMMITTEE

April J. Ginther, Chairperson
aginther@purdue.edu

1. Review of the Student Bill of Rights
2. Follow-up concerning the Student Conduct Code
3. Follow-up concerning the OnePurdue system
4. Follow-up with Student Services Office concerning the proposed Disciplinary Process
5. Currently examining the proposed Exam Proctoring system

UNIVERSITY RESOURCES POLICY COMMITTEE

Morris Levy, Chairperson
levy0@purdue.edu

1. Faculty input into the budget process
2. Review of Faculty Committees

Vice Chair of the Senate, Bernard Y. Tao, tao@purdue.edu
Secretary of the Senate, Joseph W. Camp, Jr., jcamp@purdue.edu
University Senate Minutes; <http://www.purdue.edu/usenate>

CALENDAR OF STATUS OF LEGISLATION
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<i>SENATE DOCUMENT</i>	<i>TITLE</i>	<i>ORIGIN</i>	<i>SENATE</i>
*05-1	Nominees for University Senate Standing Committees	University Senate Nominating Committee	Approved 10/17/05
*05-2	Proposed Change to the University Senate Bylaws	Professor Timothy L. Skvarenina	Approved 10/17/05
05-3	Proposed Change to University Regulations	University Senate Educational Policy Committee	For Discussion 10/17/05

***Approved**

University Senate Document 05-1

17 October 2005

As Approved 17 October 2005

TO: The University Senate
FROM: University Senate Nominating Committee
SUBJECT: Nominees for University Senate Standing Committees
REFERENCE: Bylaws of the University Senate
DISPOSITION: Election by the University Senate

The Nominating Committee proposes the following slates of nominees for service on the University Senate Standing Committees listed below. The faculty members elected are to serve for the period shown within the parentheses following each name.

A. Educational Policy Committee

For two vacancies, the proposed nominees are Professors:

Andrew U. Luescher (2) Veterinary Clinical Sciences
James D. McGlothlin (3) Health Sciences

B. University Resources Policy Committee

For three vacancies, the proposed nominees are Professors:

Charles A. Bouman (3) Electrical & Computer Engineering
Stephen R. Byrn (3) Industrial and Physical Pharmacy
Louis A. Sherman (3) Biological Sciences

Approving (via email):

Natalie J. Carroll
Linda Duttlinger
Gabriele Giuliani
Charles Kline
J. Paul Robinson
Jie Shen
Glenn Sparks

To: The University Senate
From: Professor Tim Skvarenina
Subject: Change to University Senate Bylaws
References: University Senate Bylaws; University Senate Documents 76-2, 89-16, 90-9, 90-15, 04-3
Disposition: University Senate for Action

Proposed

3.20 Chairperson and Vice Chairperson of the University Senate

(a) The chairperson and the vice chairperson shall each serve for a term of one year beginning June 1. ~~Beginning with the academic year 2005-06, the vice chairperson shall succeed the chairperson. Election of both the chairperson and vice chairperson during the academic year 2004-05, and of the vice chairperson in subsequent years, shall be by secret ballot at the regular March meeting of the University Senate.~~
(b) At the regular February meeting of the University Senate ~~during the academic year 2004-05 the Nominating Committee shall nominate at least two members of the University Senate for the offices of chairperson and vice chairperson. In subsequent years, the Nominating Committee shall nominate at least two members of the senate for the office of vice chairperson. Additional nominations shall be accepted from the floor at any time before the election. Nominees must be elected, senators. Once elected, the chairperson and vice chairperson shall serve as Senators-at-large and shall relinquish their positions as representatives of an academic unit. The remainder of their terms, if any, shall be filled by a special election in their academic units. Brief resumes of the academic, administrative, and senate service of each nominee shall be distributed at the time of nomination.~~

Present

3.20 Chairperson and Vice Chairperson of the University Senate

(a) The chairperson and the vice chairperson shall each serve for a term of one year beginning June 1. Beginning with the academic year 2005-06, the vice chairperson shall succeed the chairperson. Election of both the chairperson and vice chairperson during the academic year 2004-05, and of the vice chairperson in subsequent years, shall be by secret ballot at the regular March meeting of the University Senate.
(b) At the regular February meeting of the University Senate during the academic year 2004-05 the Nominating Committee shall nominate at least two members of the University Senate for the offices of chairperson and vice chairperson. In subsequent years, the Nominating Committee shall nominate at least two members of the senate for the office of vice chairperson. Additional nominations shall be accepted from the floor at any time before the election. Nominees must be elected, senators. Once elected, the chairperson and vice chairperson shall serve as Senators-at-large and shall relinquish their positions as representatives of an academic unit. The remainder of their terms, if any, shall be filled by a special election in their academic units. Brief resumes of the academic, administrative, and

senate service of each nominee shall be distributed at the time of nomination.

~~(c) To be elected chairperson during the academic year 2004-05, and to be elected vice chairperson in subsequent years, a candidate must receive a majority of the votes cast. If no candidate receives a majority on the first ballot, a second vote shall be taken to choose between the two candidates receiving the largest number of votes on the first ballot. During the first year of implementation of this bylaw, the vice chairperson shall be chosen from the remaining candidates (and any nominated specifically by the Nominating Committee or from the floor) by the same electoral process.~~

(c) To be elected chairperson during the academic year 2004-05, and to be elected vice chairperson in subsequent years, a candidate must receive a majority of the votes cast. If no candidate receives a majority on the first ballot, a second vote shall be taken to choose between the two candidates receiving the largest number of votes on the first ballot. During the first year of implementation of this bylaw, the vice chairperson shall be chosen from the remaining candidates (and any nominated specifically by the Nominating Committee or from the floor) by the same electoral process.

TO: The University Senate
FROM: University Senate Educational Policy Committee
SUBJECT: Elimination of Redlining (Grade Index Adjustment)
REFERENCES: University Regulations 2004-05, Section II, Academic Program,
Parts E and J
DISPOSITION: University Senate for Discussion

Introduction

Redlining is the term used to describe what happens when grades in certain courses are deleted from students' GPA during the Change of Degree Objective (CODO) process by which students move from one School or College to another. The term "redlining" comes from the practice of crossing out the deleted courses with red ink on the form that was sent to the Registrar's Office. The official term for this process is "index adjustment."

Slightly more than 3000 students go through the CODO process each year and an average of two courses are redlined per student during this process. About 70% of the students who undergo CODO do so while classified as a 1, 2, 3 or 4; in other words, in their freshman or sophomore years.

Courses that are redlined fall into two categories: (1) courses that were taken to meet the requirements of the student's original plan of study but are not required for the program or major into which the student is transferring, and (2) courses that cannot be counted toward graduation requirements in the new program or major.

Roughly 85% of the grades that are deleted during the redlining process in the last two years were grades of D or F. But roughly 11% of the index adjustments were done for grades of C and 3% were done for grades of A or B.

There is a general consensus among academic advisors and representatives of the various Dean's Offices that the present redlining system is characterized by a significant amount of abuse. A study of Big Ten and other peer institutions that is attached to this document suggests that most peer institutions do not use any form of redlining and that the few that do, do not associate redlining with CODO as Purdue's system does. A study of redlining practices by the Academic Progress and Records Committee, which is also attached to this document, suggests that there are significant differences in policies and practices among the Schools and Colleges and even among programs in a given School or College.

The Educational Policy Committee considered three options: (1) retaining the present system, (2) creating an alternative to the present system with limits on the courses that could be redlined to eliminate at least some of ways in which the present system is abused, and (3) eliminating redlining. By a majority vote, the EPC brings the following proposed changes in the University Rules and Regulations to the Senate for action.

Present	Proposed
<p data-bbox="186 304 732 338"><i>E. Transfer of Credits Between Curricula</i></p> <p data-bbox="235 340 786 520">When a student transfers from one curriculum to another leading to a different associate or baccalaureate degree, the courses that have been completed and are acceptable in satisfying the degree requirements of the new curriculum shall be determined as follows:</p> <ol data-bbox="235 522 786 1906" style="list-style-type: none"> <li data-bbox="235 522 786 884">1. An authorized representative of the dean of the school into which the student wishes to transfer shall cause to be entered upon forms provided by the registrar a list of those courses previously taken which may be used in satisfying the degree requirements of the curriculum into which the student is transferring. These courses shall include: <ol data-bbox="284 886 786 1577" style="list-style-type: none"> <li data-bbox="284 886 786 1142">a) All courses completed, regardless of grade received, which are required courses in the curriculum to which he/she is transferring or which are substantially equivalent to and are acceptable as substitutes for such required courses. <li data-bbox="284 1144 786 1577">b) Courses completed but not required for his/her new curriculum which are admissible for credit as elective courses in the new curriculum. The decision to transfer such credit for elective courses shall be made by the student at the time of transfer and upon the consent of an authorized representative of the dean of the school to which the student is applying for transfer. <li data-bbox="235 1579 786 1728">2. A graduation index as of the date of transfer shall be computed using only grades in courses transferred as specified above. <li data-bbox="235 1730 786 1906">3. When a student transfers between markedly different curricula within a school offering a single degree, the dean of the school shall be empowered to grant an exception which extends 	<p data-bbox="808 304 1354 338"><i>E. Transfer of Credits Between Curricula</i></p> <p data-bbox="857 340 1408 520">When a student transfers from one curriculum to another leading to a different associate or baccalaureate degree, the courses that have been completed and are acceptable in satisfying the degree requirements of the new curriculum shall be determined as follows:</p> <p data-bbox="808 522 1408 814">by an authorized representative of the dean of the school into which the student wishes to transfer. shall cause to be entered upon forms provided by the registrar. a list of those courses previously taken which may be used in satisfying the degree requirements of the curriculum into which the student is transferring. These courses shall include:</p> <ol data-bbox="857 816 1408 1906" style="list-style-type: none"> <li data-bbox="857 816 1408 1066">a) All courses completed, regardless of grade received, which are required courses in the curriculum to which he/she is transferring or which are substantially equivalent to and are acceptable as substitutes for such required courses. <li data-bbox="857 1068 1408 1507">b) Courses completed but not required for his/her new curriculum which are admissible for credit as elective courses in the new curriculum. The decision to transfer such credit for elective courses shall be made by the student at the time of transfer and upon the consent of an authorized representative of the dean of the school to which the student is applying for transfer. <li data-bbox="857 1509 1408 1656">2. A graduation index as of the date of transfer shall be computed using only grades in courses transferred as specified above. <li data-bbox="857 1659 1408 1906">3. When a student transfers between markedly different curricula within a school offering a single degree, the dean of the school shall be empowered to grant an exception which extends the benefits of this section.

the benefits of this section.

*J. Scholastic Indexes**

The scholastic standing of all students enrolled in programs leading to a degree shall be determined by two scholastic indexes: the semester index and the graduation index.

1. The semester index is an average determined by weighting each grade received during a given academic session by the number of semester hours of credit in the course.
2. The graduation index for an undergraduate student is a weighted average of all grades received by the student while in the curriculum in which he/she is enrolled plus all other grades received in courses taken in other curricula offered by the University and properly accepted under procedures established in Section II-E for satisfying the requirements of the school in which the student is enrolled. With the consent of his/her academic adviser, a student may repeat a course not intended for repeated registrations. In the case of such a repeated course, only the most recent grade received shall be included in the graduation index. In the case of a course in which a conditional grade has been improved by examination or for which a course of substantially equivalent content and level, as designated and properly authorized by the department offering the original course, has been substituted, the most recent grade received shall be used. The grade in a remedial level course, as identified by the student's school, may be deleted from the graduation index upon the recommendation of the student's school.
3. The graduation index for a student enrolled in the professional curriculum in veterinary medicine is a weighted average of all grades received by the

*J. Scholastic Indexes**

The scholastic standing of all students enrolled in programs leading to a degree shall be determined by two scholastic indexes: the semester index and the ~~graduation~~ **cumulative** index.

1. The semester index is an average determined by weighting each grade received during a given academic session by the number of semester hours of credit in the course.
2. The ~~graduation~~ **cumulative** index for an undergraduate student is a weighted average of all grades received **as an undergraduate student** ~~by the student while in the curriculum in which he/she is enrolled plus all other grades received in courses taken in other curricula offered by the University and properly accepted under procedures established in Section II E for satisfying the requirements of the school in which the student is enrolled.~~ With the consent of his/her academic adviser, a student may repeat a course not intended for repeated registrations. In the case of such a repeated course, only the most recent grade received shall be included in the ~~graduation~~ **cumulative** index. In the case of a course in which a conditional grade has been improved by examination ~~or for which a course of substantially equivalent content and level, as designated and properly authorized by the department offering the original course, has been substituted,~~ the most recent grade received shall be used. ~~The grade in a remedial level course, as identified by the student's school, may be deleted from the graduation index upon the recommendation of the student's school.~~
3. The ~~graduation~~ **cumulative** index for a student enrolled in the professional curriculum in veterinary medicine is a weighted average of all grades received by the student while in the professional curriculum.
4. The ~~graduation~~ **cumulative** index for a student enrolled in the professional curriculum in pharmacy is a weighted average of all grades received by the student while in the professional curriculum plus all grades included in the student's undergraduate ~~graduation~~ **cumulative** index. ~~as defined in section J.2 above, prior to entering the professional curriculum.~~ With the consent of his/her academic adviser, a student may repeat a course not intended for repeated registrations. In the case of such a repeated course, only the most recent grade received shall be included in the ~~graduation~~ **cumulative** index.

<p>student while in the professional curriculum.</p> <p>4. The graduation index for a student enrolled in the professional curriculum in pharmacy is a weighted average of all grades received by the student while in the professional curriculum plus all grades included in the student's undergraduate graduation index, as defined in section J.2 above, prior to entering the professional curriculum. With the consent of his/her academic adviser, a student may repeat a course not intended for repeated registrations. In the case of such a repeated course, only the most recent grade received shall be included in the graduation index.</p> <p>5. The graduation index for a graduate student is a weighted average of all grades received by the student in graduate-level courses (those numbered 500 or higher) since entering a graduate program, plus all grades received in undergraduate-level courses, taken while in the graduate program as part of the graduate plan of study. With the consent of his/her major professor, a student may repeat a course not intended for repeat registrations. In the case of such a repeated course, only the most recent grade received shall be included in the graduation index. Grades received in foreign language courses to establish reading knowledge as specified by the Graduate Council are not used in computing graduation indexes.</p> <p>6. For the purpose of averaging, each grade shall be weighted in the following manner:*</p> <p>GRADE WEIGHT</p> <p>A+, A 4.0 x semester hours = index points A- 3.7 x semester hours = index points B+ 3.3 x semester hours = index points B 3.0 x semester hours = index points B- 2.7 x semester hours = index points O 2.3 x semester hours = index points</p>	<p>5. The graduation cumulative index for a graduate student is a weighted average of all grades received by the student in graduate-level courses (those numbered 500 or higher) since entering a graduate program, plus all grades received in undergraduate-level courses, taken while in the graduate program as part of the graduate plan of study. With the consent of his/her major professor, a student may repeat a course not intended for repeat registrations. In the case of such a repeated course, only the most recent grade received shall be included in the graduation cumulative index. Grades received in foreign language courses to establish reading knowledge as specified by the Graduate Council are not used in computing graduation cumulative indexes.</p> <p>6. For the purpose of averaging, each grade shall be weighted in the following manner:*</p> <p>GRADE WEIGHT</p> <p>A+, A 4.0 x semester hours = index points A- 3.7 x semester hours = index points B+ 3.3 x semester hours = index points B 3.0 x semester hours = index points B- 2.7 x semester hours = index points O 2.3 x semester hours = index points C 2.0 x semester hours = index points C- 1.7 x semester hours = index points D+ 1.3 x semester hours = index points D 1.0 x semester hours = index points D- 0.7 x semester hours = index points E, F, EF, IF 0.0 x semester hours = index points P, N, I, PI, SI, W, WF, WN, WU, IN, IU Not included</p> <p>7. The semester index is the sum of all index points for one semester for the grades A+/A, A-, B+, B, B-, C+, C, C-, D+, D, D-, E, EF, IF and F, divided by the sum of all corresponding semester hours. This index is represented by the following formula: $S = \frac{4NA^+ - MNA^- + 3.7NA^- - 3NB^{++} + 3NB^{+} + NA^{++} + NA^+ + NA^- + NB^{++} + NB^+ + \dots}{\text{sum of semester hours}}$ In the formula, NA+, NA, NA-, NB-K ^c. are, respectively, the number of credit hours of A+, A, A-, B+, etc.</p> <p>8. The graduate cumulative index is computed similarly using the grades specified in Section VII-J2 and VH-J3.**</p> <p>9. The registrar shall compile and report</p>
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<p>C 2.0 x semester hours = index points C- 1.7 x semester hours = index points D+ 1.3 x semester hours = index points D 1.0 x semester hours = index points D- 0.7 x semester hours = index points E, F, EF, IF 0.0 x semester hours = index points P, N, I, PI, SI, W, WF, WN, WU, IN, IU Not included</p> <p>7. The semester index is the sum of all index points for one semester for the grades A+/A, A-, B+, B, B-, C+, C, C-, D+, D, D-, E, EF, IF and F, divided by the sum of all corresponding semester hours. This index is represented by the following formula: $S = \frac{4N_{A+} + N_{A-} + 3.7N_{B+} + 3N_{B} + 3N_{B-} + N_{C+} + N_{C} + N_{C-} + N_{D+} + N_{D} + N_{D-} + N_{E} + N_{EF} + N_{IF} + N_{F}}{N_{A+} + N_{A-} + N_{B+} + N_{B} + N_{B-} + N_{C+} + N_{C} + N_{C-} + N_{D+} + N_{D} + N_{D-} + N_{E} + N_{EF} + N_{IF} + N_{F}}$ In the formula, N_{A+}, N_{A-}, N_{B+}, N_{B-}, N_{C+}, N_{C-}, N_{D+}, N_{D-}, N_{E}, N_{EF}, N_{IF}, N_{F} are, respectively, the number of credit hours of A+, A, A-, B+, etc.</p> <p>8. The graduate index is computed similarly using the grades specified in Section VII-J2 and VH-J3.**</p> <p>9. The registrar shall compile and report semester and graduation indexes after the close of each academic session.</p>	<p>semester and graduation <i>cumulative</i> indexes after the close of each academic session.</p>
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Approving:

K. Anderson
A. Astell
C. Baird
D. Bowling
P. Connolly
S. Feld
J. Grennan
L.T. Hawkins
C.M. Ladisch
M. Moriarty
H. Nakanishi
R. Penney
R. Kubat
R. Waterson
S. Weldon

Disapproving:

G. Bodner
R. Montgomery
M. Talbott

Abstain:

O. Adeola

MEMORANDUM

Date: September 7, 2005

To: ESAAC Subcommittee to explore 'red lining' best practice

From: Robert Kubat, University Registrar
Lori Shipley, OnePurdue Functional Lead, ESA

Subject: Big Ten and Peer Institution Benchmarking

The following paragraphs describe available information from Big Ten and Purdue University's peer institutions regarding current practices on excluding courses from a student's GPA. The Big Ten information was obtained via an email survey and specifically asked if courses were excluded for the student's GPA when the student changed majors. In addition, questions were asked about use of multiple GPA's. The remaining peer institutions were compiled from the institution's web sites.

Texas A&M

Texas A&M has a 'First Year Grade Exclusion Policy'. The 'First Year Grade Exclusion Policy' allows an undergraduate student who entered as 'first time in college' to elect to have grades of D, F, or U excluded from GPA calculations. A maximum of three A&M courses may be excluded and the enrollment for the courses must be within 12 months of the first date of enrollment. All courses remain on the official transcript. Only currently enrolled students may invoke first-year grade exclusion. More details regarding the policy can be found at the following web site: http://www.tamu.edu/admissions/records/GEP_Jan2005.html

UT Austin

No academic policies were found which allowed exclusion of course work from the cumulative GPA other than changes made in 1999 which impacted credit by examination. Prior to 1999 the GPA was calculated on the basis of all work undertaken at UT Austin, including credit by examination, correspondence, and extension. Grades in courses transferred from other institutions are excluded from the calculation. The change in 1999 excluded letter grades for credit by examination from the GPA. More details regarding the change in 1999 can be found at the following web site:

http://www.utexas.edu/faculty/council/1999-2000/legislation/credit_by_exam.html

Worth noting is UT Austin's policy on repeated courses, All grades earned in University courses, whether repeated or not, count in a student's GPA.

University of Arizona

All grades for repeated courses are calculated in the major GPA, with the exception of grades that are replaced by the Grade Replacement Opportunity (GRO) and those removed from the grade point average through Academic Renewal.

Grade Replacement Opportunity (GRO)

Graduate students may apply to retake courses for which they received a grade of C or below. Undergraduates who have not received a bachelor's degree may repeat under the Grade Replacement Opportunity (GRO), only once, certain courses in which they received grades of C, D, or E. A total of 3 courses, not to exceed a maximum of 10 semester hours, may be repeated under GRO. The University of Arizona's Grade Replacement Opportunity policy can be found at the following web site: <http://catalog.arizona.edu/2004-05/policies/gro2.htm>

Academic Renewal

Under certain circumstances, an undergraduate student may apply for academic renewal. Academic renewal allows students to have grades for a particular period of time excluded from their GPA. If the qualifications are met, the student may have a maximum of four consecutive semesters of course work disregarded in all calculations regarding academic standing, grade-point-average, and eligibility for graduation. To qualify for academic renewal a minimum of five years must have elapsed since the most recent course work to be disregarded was completed. If the student satisfies the conditions for Academic Renewal, the student's permanent academic record will indicate that no work taken during the disregarded semester(s) or term(s) applies toward graduation. All work remains on the record, ensuring a true and accurate academic history. The University of Arizona's Academic Renewal policy can be found at the following web site: <http://catalog.arizona.edu/2004-05/policies/acadrenw.htm>

University of California - Berkley

No academic policies were found which allowed exclusion of course work from the cumulative GPA other than the normal incompletes, pass/no pass types of scenarios.

University of California - Davis

No academic policies were found which allowed exclusion of course work from the cumulative GPA other than the normal incompletes, pass/no pass types of scenarios.

Georgia Tech

Grade Substitution became effective with the entering Fall 2005 first-time freshman class. First-time freshman students who receive a grade of D or F in a course within their first two terms in residence are eligible to repeat the course and have the original grade excluded from the computation of academic average. Grade substitution may be used only once per course, with a maximum of two courses total. The course must be repeated at Georgia Tech within the student's first four terms in residence. The original course and grade will continue to appear on the student's transcript, with a notation that the course was repeated and that the original grade is not included in computation of the academic average.

Cornell

No academic policies were found which allowed exclusion of course work from the cumulative GPA other than the normal incompletes, pass/no pass types of scenarios. Cornell offers the *S-U System* to encourage students to explore courses without risk to their academic record. The *S-U System* assigns a satisfactory or unsatisfactory grade for course work.

Illinois

No exclusion of course work occurs when a student changes majors. The transcript system provides an overall GPA as well as a term GPA and transfer GPA. Departments use DARwin for additional GPA's.

Penn State

No exclusion of course work occurs when a student changes majors. Only one cumulative GPA exist for a student which includes all course work.

Michigan State University

No exclusion of course work occurs when a student changes majors. The transcript does not include a major or program GPA. In accordance with the requirements for certain majors, major or program GPA's are calculated by the college or degree-offering unit.

Northwestern University

The academic transcript is a complete academic record that shows all work and a cumulative GPA. In the degree audit, there can be a major GPA that includes or excludes courses as the program area wishes - they define it and it can differ by major.

The University of Iowa

No exclusion of course work occurs when a student changes majors. Up to five courses can be repeated and the original grades are not included in the GPA. DARwin can provide a major GPA.

Indiana University

A modification was made to PeopleSoft to accommodate a program GPA as well as a cumulative GPA.

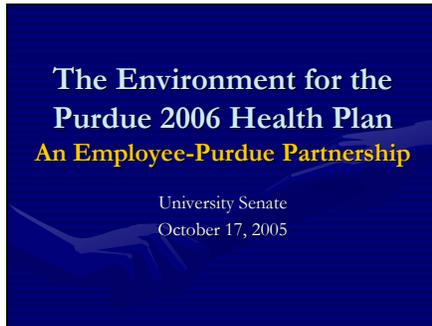
Summary of Responses regarding Redlining practices May 18, 2001

In January 2001, the Academic Progress and Records Committee sent out a request to the Schools at Purdue University to provide information describing their current redlining policies and practices (where "redlining" means a course is deleted from the student's grade point average). The following table provides a brief overview of the responses received regarding redlining policies and practices across the Schools at Purdue University. Supporting written documentation and/or oral confirmation statements were obtained from the head academic advisor from each School. –N. Denton, AP&R chair

School	Description of Redlining Policy/Practice
Agriculture	All remedial courses are redlined, regardless of grade. Any course with grade of F or WF taken for the previous curriculum can be redlined if the course does not apply to the student's current School of Agriculture plan of study. (F and WF courses will be reinstated if student changes to a plan of study where these courses apply).
Consumer and Family Sciences	Redlining is allowed for all courses not required in the current curriculum. Previously redlined courses are reinstated if they are required in the new curriculum.
Education	Redlining is allowed for any courses not listed in the School of Education core or not in Education if the student receives a grade of D or F. Redlining is not allowed for courses where the student received a grade of C or higher, for core courses, and for Education courses.
Engineering	Each School sets its own policy. ChemE, ECE, and IDE do not redline courses. Other Schools redline all courses that do not apply towards their specific degree requirements, regardless of grade. Previously redlined courses are reinstated if they are required in the new curriculum.
Liberal Arts	The Liberal Arts policy is fairly complex (5 pages of documentation). A brief summary is that all courses that are not listed in the Liberal Arts core and all courses that do not apply to a new choice of Liberal Arts major may be redlined.
Management	Up to three courses with a grade of D or F may be redlined. Remedial courses will be redlined. An applicable course with a grade of D or F may be redlined AFTER the substitute course is completed.
Nursing	All courses that are not in the nursing curriculum may be redlined.
Pharmacy	Up to three courses that are not in the pharmacy curricula or on the elective list may be redlined.
Science	All remedial courses will be redlined. Non-Science free elective courses with D or F grades may be redlined.
Technology	Variations exist between departments. Typically, redlining is allowed for any course with a grade of D or F that is not applicable to the new curriculum.
University Division	Up to three courses or 20% of the courses may be redlined (whichever is greater), for courses with grades of D or F only. This applies to courses that are not applicable to most majors (e.g., ENGL 101 cannot be redlined).
USP	This program does not accept CODO students, so redlining does not apply.

The Environment for the Purdue 2006 Health Plan
Presented by Brent Bowditch
Assistant Director of Human Resources

Slide 1



It's a pleasure to be here again this year at the University Senate. I always welcome this opportunity. The more we can discuss and understand the issues related to employee healthcare, I think it is better for everyone concerned.

Slide 2



Before we start, let me introduce myself for those of you who don't know me. My name is Brent Bowditch. I am an assistant director of Human Resource Services in charge of Staff Benefits. I welcome your questions. Please feel free to contact me.

Slide 3



I especially want to emphasize again how important it is that faculty and staff continue to work with the University to obtain quality healthcare at affordable prices. Most of this presentation will deal with this partnership, including the new medical plan changes we will be making for 2006.

Slide 4



Why is this partnership so important? Because the higher the costs, the more you will be impacted.

At the University, there is really only one bucket of money for general fund expenses that help pay for our salaries, supplies and expenses. Included in this is the cost of medical care for us.

The more we can control health care costs, the more money the University is going to have for higher wages. It also means we can continue providing excellent health care coverage at affordable prices. You won't have to pay higher amounts for that coverage or have coverage reduced.

Slide 5

Where Were We?

- 2000: Medical Reserve was \$14.5 Million and should have been \$30 Million
- 2000: Medical Claims increasing 16% annually (\$6.5 Million)
- 2001: University Contributions increased 22% (\$11.8 Million)

I want to shift gears and take you back five years in time. The reason I want to do this is to show you where we were in regards to the medical plans and then show you how the partnership we've created is working. In 2000, the medical plans were not in good health.

Slide 6

**2002 Proposed Changes
Purdue Medical Plans**

- \$7.3 million increase by Purdue
- \$150 to \$300 employee premium increase
- Medical opt out credit reduced from \$651 to \$550
- Increase stop loss on prescription drugs from \$750 individual/\$1,500 family to \$1,000/\$2,000
- Coinsurance change from 80/20 to 70/30
- Increase out of pocket maximums from \$1,000 individual/\$2,000 family to \$1,500/\$3,000
- Increase co-pays at Regionals & Purdue Managed Care

In fact, here is a slide I used in a presentation I did in the year 2001 for the changes in the 2002 plan year.

It wasn't very pretty: Million dollar increases by Purdue; increases for employees for stop loss, coinsurance, out-of-pocket maximums, and copays. Costs were going up. Not only did you have to pay more out of your paycheck, your health care coverage was not as good.

Slide 7

Future Cost of Healthcare



Double
Digit
Inflation



And the problem was even worse in 2001 because future projections for health care costs were indicating double digit inflation rates. Back then weekly claims costs at Purdue were running at \$1 million a week, so when you were talking about 15% annual increases, we were talking about coming up with an extra \$7.3 million in 2002.

Slide 8



So what did we do?

Slide 9



The first thing we did in Benefits was to analyze the local health care market. My background is accounting and financial analysis. We hired a company to pull together all of our healthcare claims and we looked at the data. The data was quite startling. It showed physician costs were unreasonably high compared to other areas of Indiana and across the country. Sometime 2 to 3 times higher than other places.

Another characteristic was dominance. There really was not much competition in Lafayette. Back then, Arnett Clinic controlled the physician market and GLHS controlled the two local hospitals. Both Arnett and GLHS were working very closely together. Unity, at the time, was a small physician group that both Arnett and GLHS were trying to put out of business. This was not helping costs

Networks of medical providers are seen all over this country.

Medical providers join networks to have employers provide incentives to employees so they will come to them. In turn, the medical providers charge less for their services. In Lafayette, medical networks had not been successful. The only one locally had been NETPro. And NETPro's arrangements were pitiful when we compared them to other provider networks. Most non-Arnett physicians in this area belong to NETPro. Arnett refused to join any network that offered reasonable prices.
[continued on next page]

Slide 10

**Analyzed
Local Health Market**

- High costs
- Dominance in the marketplace
- Limited use of medical provider networks
- Exclusivity



The other characteristic I saw in Lafayette was exclusivity. Medical providers wanted exclusivity. In other words they wanted to be the only providers that Purdue employees can see, or they wanted incentives that make it financially difficult for employees to go to other medical providers. For example, the two hospitals, which are owned by GLHS, wanted exclusivity. With the addition of outpatient surgery centers and radiology in the area, many of the hospital agreements excluded these surgery centers and radiology from being in network. In other words, Unity's surgery center or radiology could not join a network even if they wanted to. For this exclusivity, Purdue and employees received a 22% discount off of billed charges for outpatient services and a 20% discount for inpatient today.

Slide 11

Developed a Plan

- Fully Fund Medical Reserve
- Shift costs to Medical Providers
- Engage Faculty and Staff in Health Care Decisions
- Engage the Local Community



Then the next thing we did was sit down and develop a plan of action.

We had to increase the funding of the medical reserve so it was adequately funded.

I'm not against a medical provider being paid a fair fee for his or her services. However, the costs we were paying were too high. We wanted to shift our costs to medical providers by reducing the reimbursements to them.

We needed to get employees engaged in their health care decisions. If we were going to improve, employees were going to have to help us. This is where the partnership came in to play.

We also wanted to try to get other local employers involved in trying to create change in the medical community.

Slide 12

Examples of the Plan

- Incentive PPO
- PHCS Network of Medical Providers
- Free Lab Arrangements at Designated Labs
- Three-tier prescription drug benefit
- LWLEDC Community Health Care Cost Study



I now want to talk now about some of the major things we did as part of this evolving plan that will show how this partnership is working.

The cornerstone of the plan was the new Incentive PPO health plan that was introduced in 2003 and the development of the PHCS Network of medical providers.

I want to talk about the Free lab arrangements at designated labs and the three-tier prescription

drug benefit to show you how this has got you involved in healthcare decisions

I also want to talk about the Community Health Care Cost Study and how Purdue has taken a leadership role in trying to make a difference by involving the local community.

Slide 13

Incentive PPO

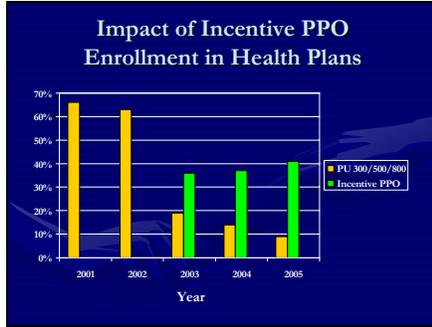
In 2002: Purdue 300 or Purdue 800
Employee Pays 30%

In 2003: Incentive PPO
Employee Pays 10-15% at PHCS Providers or
40% at Non-PHCS Providers

In 2002, besides the Purdue Managed Care plan through Arnett, Purdue offered the Purdue 300 and Purdue 800 health plans. These plans were easy for employees to understand. You could go to any medical provider and the employee paid 30% of the cost. It didn't matter if an employee went to an expensive doctor or a reasonably priced one. There was not much reason for an employee to shop cost.

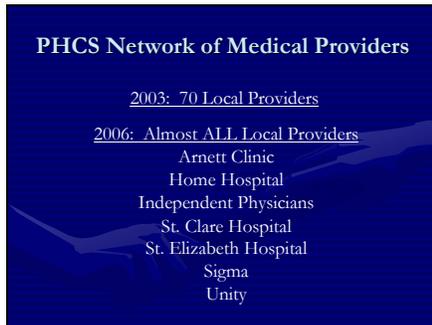
Like I said, in 2003 we introduced the Incentive PPO plan. This plan was set up in a way to get employees involved. If they went to less expensive providers by using a PHCS provider, both Purdue and the employee saved money. And it is interesting, because employees really do go to providers that are less costly.

Slide 14



When the Incentive PPO plan was introduced, the success of the plan depended on whether Purdue employees chose the Incentive PPO. Staff Benefits spent a lot of time trying to educate and explain how this new plan would work and why it is important. As you can see over 60% of Purdue employees were enrolled in the Purdue hundred plans in 2002. Faculty and staff responded in 2003 by moving to the Incentive PPO. In 2005 Incentive PPO account for 41% of enrollment. Employee response really helped the University in being able to contain costs today. It was a statement that was noticed by medical providers.

Slide 15



As I mentioned before, the PHCS network was a key part of the Incentive PPO network. We really made an effort to increase the network that emphasized lower price reimbursements. Employees responded by asking physicians to join the PHCS network and, in some cases, changed to a network physician. As you can see, there were only 70 local providers in 2003. Today we have almost all of the providers in town. Arnett Clinic has decided to join PHCS starting this November, 2005.

So why is the PHCS network so important. Let me show you this example.

Slide 16

Impact of PHCS Network Actual Surgery Example		
	Before PHCS	After PHCS
Physician Charge	\$2,864	\$968
Facility Charge	\$2,646	\$850
Total Charges	\$5,510	\$1,818
Employee Pays	\$1,377	\$273
Purdue Pays	\$4,133	\$1,545

Here is a dramatic example of the kind of savings we are seeing with the addition of the PHCS network.

This is an example of a surgery performed by the same surgeon in the same facility in the Lafayette area. The only difference (besides the patient!) is that the surgeon and facility were not part of the PHCS network at one time and were in the network the next. As you can see, the total charges charged were \$5,510 before PHCS and only \$1,818 after.

The employee only paid \$273 versus \$1,377. Purdue saved too.

The \$1,818 reimbursement to the surgeon and facility is consistent with reimbursements to other medical providers across the country for this type of surgery. Purdue feels this reimbursement is fair to the providers.

When employees speak by going to PHCS providers they participate in the Purdue-employee partnership I've talked about.

Slide 17

**Impact of Free Lab Arrangements
Lipid Panel (80061)**

Amount Billed	\$104	100%
Negotiated Discount	\$85	82%
Total Paid by Purdue	\$19	19%

If you don't use PHCS labs YOU and Purdue Pay
\$104 or more

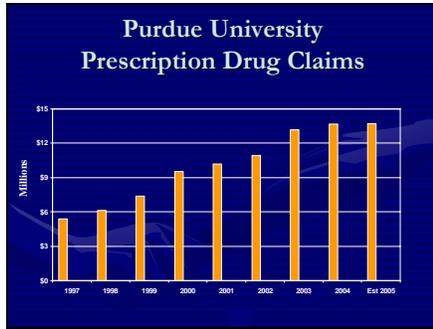
Another example of how Purdue employees have responded and worked with the University is the example of the free lab arrangements we have. We worked with certain labs and said if you give us steep discounts, we will pay 100% of the cost and you will not have to bill employees.

Have you ever looked at a lab explanation of benefits? Here is an actual example. It is a lipid profile to check cholesterol levels. The lab originally billed \$104. But because you went to the lab and because of the arrangements we negotiated, the lab discounted \$85 of it so Purdue can afford to pay 100% of the cost.

For those employees, who don't go to a participating lab, we are paying the full \$104 or more, and are costing the plan for all of us.

Arnett Clinic labs used to be part of this arrangement, but we dropped them in 2005 because the physicians and facilities would not join PHCS. Arnett saw a drop in their lab business. I think this is one of the reasons Arnett decided to join the PHCS network. Arnett's labs will be free again beginning in 2006.

Slide 18

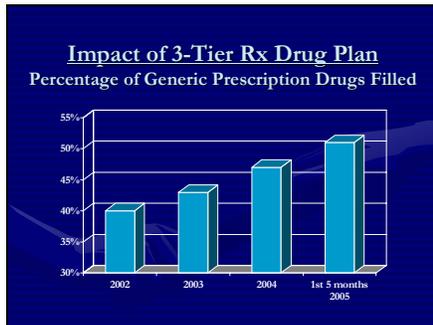


Shifting gears to prescription drugs I want to show how the introduction of the three-tier prescription drug benefit has helped control costs for all of us by involving employees.

This chart shows the increase of prescription drug costs since 1997. Prescription drug costs are one of the fastest growing areas of medical costs. Employees used to just pay 30% of their drug cost.

We added the three tier prescription drug plan a few years ago. It provided incentives to use generic drugs since the employee only has to pay 20% of the cost.

Slide 19



In 2003 the University changed the prescription drug benefit to encourage generic drug use as well as preferred brand name drugs. This chart represents the prescription drug usage by Purdue employees. The blue bar represents generic drug usage. As you can see, generic drug usage increased from 40% in 2002 to 50% in the first five months of this year.

Slide 20



This might not seem like a lot but consider the total cost of a generic drug versus a brand drug in the first five months of this year.

Brand drugs are 4.6 times higher than generic drugs. By moving to generic drugs, it has a tremendous impact on savings.

This is another example of how Purdue employees are responding and helping to control health care costs.

Slide 21



I want to also share with you our efforts to involve the local community.

Purdue has taken a leadership role in this effort. In 2003, a committee of local employers, under the umbrella of the Lafayette West Lafayette Economic Development Corporation and chaired by Purdue University and Wabash National, financed a study to answer the question of whether health care costs were higher in Lafayette versus other areas of the State, and if so, how much higher.

The result was a study that was completed this last June. If you have not seen it, it is on the Economic Development Corporation's web site.

The University plans to continue to use the results of this study to make a difference here.

Slide 22

Community Health Care Cost Study		
Physician Findings		
Lafayette compared to the State		
	Non-HMO Plans	HMO Plans
Allowed Fees	37% Higher	6% Higher
Utilization	13% Higher	19% Higher
Combined Fees & Utilization	55% Higher	26% Higher

The study confirmed much of what we at Purdue knew.

The Study showed that patients, who are not in an HMO, and their employers paid higher physician allowed fees by 37% as compared to the State of Indiana. They go to the doctor 13% more times here in the Lafayette area. Overall, combining these higher fees and increased utilization, total costs were 55% higher than the State in 2003.

To give you an idea of the cost implications, if the Lafayette costs were the same as the State, the community would have saved \$45.7 million between employer and employee.

For those patients that saw medical providers through an HMO, allowed fees were 6% higher, utilization was 19% higher, resulting in a total of 26% higher.

Slide 23

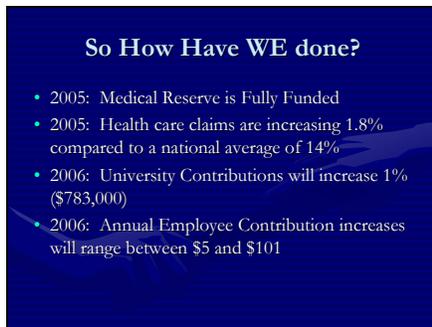
Community Health Care Cost Study		
Inpatient Hospital Findings		
Lafayette compared to the State		
	Non-HMO Plans	HMO Plans
Allowed Fees	8% Higher	35% Lower
Utilization	12% Lower	16% Higher
Combined Fees & Utilization	5% Lower	24% Lower

The inpatient hospital findings were rather interesting too, although not really out-of-line when compared to the State.

What is interesting is to note the allowed fees being 8% higher in Non-HMO plans and 35% lower in HMO plans. Remember in 2003, GLHS and Arnett Clinic controlled the markets and you can see the sweetheart deal Arnett HMO had with the hospitals. Those plans that were not featuring Arnett were paying

for the low cost Arnett plans.

Slide 24



So How Have WE done?

- 2005: Medical Reserve is Fully Funded
- 2005: Health care claims are increasing 1.8% compared to a national average of 14%
- 2006: University Contributions will increase 1% (\$783,000)
- 2006: Annual Employee Contribution increases will range between \$5 and \$101

So where are we today? I am happy to report that the Purdue health plans are quite healthy and employees are responding.

Our medical reserve is now fully funded.

Today, our health care cost increases are only 1.8%. That is PHENOMENAL when you compare that to 14% increases nation wide. That is a savings of \$7 million over what it could have been. That is what I am talking about when I talk about an employee-Purdue partnership.

In 2006, the University contribution only needs to increase 1%. Remember the "budget bucket". That allows the University to do more positive things with its funds. Employees are benefiting too. Annual employee contributions are going up a very small dollar amount.

Overall, things look very positive. However, we cannot sit idly by patting ourselves on the back.

Slide 25



Like back in 2001, all projections indicate that the remaining years of this decade will continue with double digit inflation.

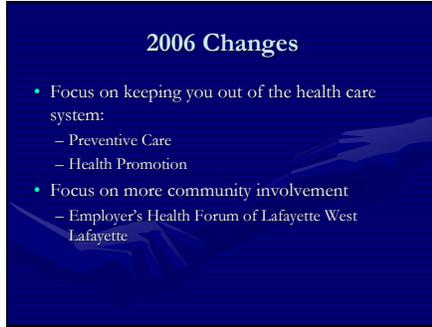
More than ever, Purdue and its employees will need to continue to work together.

Slide 26



So what do WE do for the future? And note I say WE – again, emphasizing the partnership of Purdue employees and Purdue working together.

Slide 27

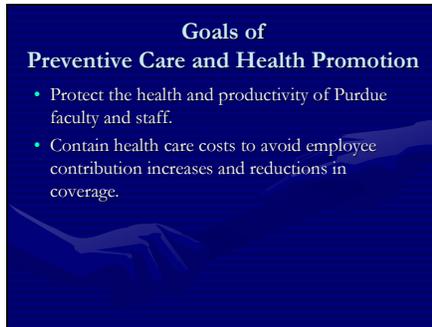


Let me note the two changes we will be adding in 2006:

The first focuses again on us working together - on you taking care of yourself so you won't have to use the health care system.

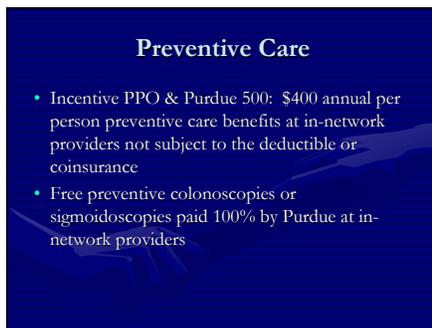
The second focuses on continuing to work with local employers to make a difference through the Employers Health Forum.

Slide 28



Purdue is investing some of the money we have to protect the health and productivity of faculty and staff. Notice I didn't say "spending some of the money we have" – I said "investing". There are many, many research studies that have been conducted that show using your monies this way has a positive return on your investment. You actually start to see that return in just a couple of years. Investing this money this way will help keep our health plans healthy into the future.

Slide 29



Next year for the Incentive PPO and Purdue 500 plans, Purdue will provide a \$400 annual per person preventive care benefit when using an in-network provider. This benefit is not subject to the deductible or coinsurance. This benefit can be used for things like physical examinations, immunizations, well baby care, mammograms, etc.

Since preventive colonoscopies and sigmoidoscopies are

significantly more expensive than \$400, they will be paid 100% by Purdue if you use an in-network provider and not be part of the \$400 benefit.

If you use up the \$400 benefit, preventive services will still be covered but will be subject to the deductible and coinsurance.

Slide 30



Health Promotion

- Health Risk Appraisal and wellness screening for employee and spouse with \$100 financial incentive/person to complete:
 - Eating habits
 - Physical activity
 - Stress
 - Safety
 - Medical history
 - Family history
 - Height, Weight, Blood Pressure, Cholesterol, Glucose

You will also start hearing more information about a Health Promotion program that Purdue will be offering in the first quarter of 2006.

All employees and their spouses will be eligible for a \$100 incentive per person to complete a health risk appraisal and wellness screening. The health risk appraisal will ask you questions about such things as your eating habits, physical activity, stress, safety, medical history and family health history. The wellness screening will check your height, weight, blood pressure, cholesterol, and glucose levels.

The University is concerned about your privacy and you will have the option of using an independent company to conduct these services if you want. We will also utilize many University resources too, like the School of Nursing, if you want to use their services. The University will only have access to aggregate data and never

have data at a person level.

Slide 31



Health Promotion

- Voluntary participation in telephonic coaching for those employees and spouses with health risks to change to healthier behaviors:
 - Losing weight
 - Increasing physical activity
 - Stopping smoking
 - Improving nutrition

From the health risk appraisal and wellness screening, the independent company will send you your results. Purdue will never see your individual results. This independent company will identify those employees who have health risks. You will be offered on a voluntary basis to try to improve your health. That might be losing weight, increasing your physical activity, stopping smoking, or improving your nutrition. The independent company will provide telephonic coaching to try the help you achieve your goals.

Both the preventive care and health promotion benefits continue designs that try to engage employees in their health care. I am optimistic. Faculty and staff have responded in the past and I think they will respond again.

Slide 32



Employers Health Forum

- Purdue University
- Rea Magnet Wire
- Henriott Group
- Eli Lilly and Company
- Subaru of Indiana
- Wabash National Corp
- Lafayette Venetian Blind
- City of Lafayette
- City of West Lafayette
- Schilli Transportation
- Ivy Tech
- Lafayette Bank & Trust
- Caterpillar
- Fairfield Manufacturing Company
- Lafayette Life
- PEFUCU
- Tate & Lyle
- Oscar Winski
- Fbi Buildings
- Amn's
- BASi

The other important thing Purdue will be working on in 2006 is the Employers Health Forum of Lafayette West Lafayette. This group is a result of the Community Health Care Cost Study which we talked about earlier. I am Purdue's representative on the much smaller Steering committee. We had our first meeting last Thursday. As you can see, a number of employers are working together to try to make a difference.

Slide 33



Employers Health Forum Goal

To improve the **value** received by employers and employees for their health care expenditures. **Value** includes quality, cost, efficiency, and employee satisfaction.

The **intention** is to foster **value** improvement that is immediate, substantial and continually improving.

The Forum's goals are stated here.

The one difference this Forum has over others is that we also involve physicians, hospitals, health plans, networks, public officials, and knowledgeable leaders in coming up with solutions. However, it is an employer driven forum.

Slide 34



Employers Health Forum Initiatives

- Dental Networks
- Health Promotion Initiative
- Pay for Performance / Quality Reporting
- Initiatives to more directly address cost and utilization

We have identified 4 initiatives to work on. This work will be conducted by subcommittees of those various groups I mentioned earlier.

Dental costs in Lafayette are very high. Unfortunately you will see that by the increases in our voluntary dental plan for 2006. Hopefully we can create a dental network similar to the way we built the PHCS network, so in 2007 you will not have to pay as much for dental work.

Health promotion, similar to what we are doing at Purdue, is a concern by many. We want to look at this from a community perspective and work with others that have been trying to do similar work.

The subcommittee I am particularly interested in is the one concerning pay for performance/quality reporting. Value (quality and efficiency) of care cannot be rewarded unless it is measured. It will be difficult to improve value unless incentives of the various stakeholders are aligned to reward those providers that are providing the best quality of care. That is the purpose of this committee

And finally, the Cost Study brought up concerns about cost and utilization. Because these are contentious issues, they will be dealt with at the Steering Committee level of the Employers Health Forum.

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And with that, I think I will stop. I want to thank you for your time today. I would be happy to answer any questions you might have.

Keith Dowden
Assistant Director for Special Collections
Purdue University Libraries
1920-2005

Keith Dowden was born in Bristol, England on May 26, 1920 and graduated from Stuyvesant High School in New York City. He received his B.A. degree, *summa cum laude*, in 1949 from Bowdoin College with a major in European History and was inducted into Phi Beta Kappa honorary fraternity. Following graduation, he received his Masters in Library Science degree from the School of Library Service of Columbia University. After being employed in the Columbia University Library as a reference librarian, he accepted an offer from the Purdue University Libraries in 1951 to join the staff as an assistant reference librarian. He was Head of Reference Services in the General Library from 1953 to 1963 and then became the Libraries Assistant Director for Resources and Reference Services. In 1978 he was named Assistant Director for Special Collections where he continued until his retirement in 1986. While at Purdue he also held appointments as a Visiting Lecturer at the University of Illinois Graduate School of Library Science; the University of Washington Graduate School of Librarianship, and the University of Wisconsin Library School.

His monographic publications included *A Guide to the Purdue Library*. He was a reviewer for *Booklist* and *Subscription Books Bulletin* and a contributor to the *Golden Book Encyclopedia of Natural Science*; *McGraw Hill Illustrated World History*; and *Odyssey World Atlas*. He is cited in the *Biographical Directory of Librarians in the United States and Canada* and in *Who's Who in Library and Information Services*.

Keith was one of a group of Purdue faculty members who organized the Purdue University Chapter of Phi Beta Kappa in 1971. He served as a member of the Faculty Senate and a member of a number of University committees including the Academic Master Plan Committee and the Committee on Faculty Documents and Records. He held memberships in the American Library Association; the Indiana Library Association; the Special Libraries Association; the Society of American Archivists; the Society of Indiana Archivists and the American Association of University Professors.

Within the local community Keith served as a member of the staff at West Lafayette voting sites for local, state and national elections and as a member of the Publications and Research Committee of the Tippecanoe County Historical Association.

After retirement, Keith volunteered in the Purdue Libraries Special Collections department and enjoyed several trips to England. He was an aficionado of the daily *New York Times* and always checked the New Books sections in the Humanities, Social Science and Education Library and the Hicks Undergraduate Library.

Keith passed away on June 12, 2005 in Lafayette. Surviving are his wife Ruth Kenny Dowden of West Lafayette, a son Christopher Dowden of Vero Beach, FL, two daughters, Dr. Caroline W. Bourdon of Argos, IN, and Margaret Wayne of Evansville, IN, and three grandchildren, Claire Bourdon, Lindsay Wayne and Molly Wayne.

Richard L. Funkhouser
Katherine M. Markee