AGENDA

1. Call to order
   Professor William A. Harper

2. Approval of Minutes of 21 April 2003

3. Acceptance of Agenda

4. Remarks by the President
   President Martin C. Jischke

5. Report of the Chairperson
   Professor William A. Harper

6. Resume of Items Under Consideration
   by Various Standing Committees
   For Information
   Professor Herbert L. Weith

7. Question Time

8. University Senate Document 03-1
   Nominees for Senate Committees
   For Action
   Professor Charles E. Kline

9. The Environment for the Purdue 2004 Health Plan
   For Information
   Brent Bowditch,
   Assistant Director of Human Resources
   and Charlene Sullivan,
   Associate Professor of Management

10. New Business

11. Memorial Resolutions

12. Adjournment


Guests: Amanda Anthony, John Beelke, Brent Bowditch, Solomon Gartenhaus, James L. Mohler, Amy Raley and Melissa Redding.

1. The meeting was called to order by the chairperson of the senate, Professor William A. Harper at 2:30 p.m.

2. The minutes of the meeting of 21 April 2003 were approved as distributed.

3. The agenda was accepted as proposed.

4. President Martin C. Jischke presented his remarks to the Senate (see Appendix A). Following his remarks he responded to several questions from the floor.

5. Professor William A. Harper presented the report of the chairperson (see 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). Professor Weith invited the chairs of the standing committees to rise and introduce themselves to the senate. Professor Weith then invited questions from the
senate for the committee chairs or other appropriate individuals. Professor A. Charlene Sullivan asked several questions relating to the HRIS system and whether the senate could be updated about the project. Vice President Ken Burns rose to answer her questions. Vice President Burns explained the ongoing process to replace the current system. The original plan to replace the system had an estimated cost of $150 million. Purdue University cannot afford that amount and the planning process has started over. Although, no vendor has been chosen for a new system, it will have to be a “vanilla” system that can handle the requirements of the university, while remaining affordable. Affordability includes the cost of handling upgrades. Many universities have expended significant sums of money only to find that within five years they must spend additional sums to cover upgrades. Purdue wants to learn from the experience and avoid the mistakes made by these other institutions. The system that is envisioned will be less complicated than was originally planned but will be able to produce the reports and perform the other functions that are required by the university. Furthermore, outsourcing will be avoided to the extent possible because the use of consultants constituted the main cost of the previously proposed system. Of the $150 million estimated project cost the software constituted only $6,500,000 and the remaining costs were to pay for consultants. Finally, Vice President Burns indicated that there is no evidence that Purdue University is paying significant costs for not having a state of the art HRIS system. For example, we are not losing students because we do not have on-line registration. In fact, we have more applicants for admission than at any time in the past and our incoming class of freshmen is the best ever.

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 D. Kline presented for action University Senate Document 03-1, Nominees for Senate Committees. He placed into nomination the following: for the one vacancy on the Steering Committee he nominated Professors George E. Rogers of Industrial Technology and Clarence W. Wilkerson of Mathematics for a term of service ending 31 May 2006; for the one vacancy on the Educational Policy Committee he nominated Professor S. Laurel Weldon of Political Science for a term of service ending 31 May 2006; for the two vacancies on the Nominating Committee he proposed Professors Linda M. Duttlinger of Professional Studies, Daniel J. Kovenock of Management, J. Paul Robinson of Basic Medical Sciences, and Farshid Sadeghi of Mechanical Engineering; for this year’s senate representative to the Purdue Student Government, he nominated Professor John G. Graveel of Agronomy, for a one year term of service; and for a three-year term on the Grade Appeals Committee he proposed Professor George Bodner of Chemistry.

For student nominees for various vacancies on standing senate committees he nominated the following: for the Educational Policy Committee, Rahim Sewani, Jamie Spaccarotelli, and Bogdan Gologan (graduate student); for the Student Affairs Committee, he nominated Caitlin Baird, Katie Hanley, Jon Hoggat, Ronald Parratt, Timothy Rhyne, and Prasanth Karumanchi (graduate student); for the Resources Policy Committee, he nominated Greg Connor, Ben Harris, and Evie Malaia (graduate student); and for the Grade Appeals Committee, he nominated Erica Conrad, Aaron Donnelly, Blake Everhart, Justin Hubbert, Andrew Peter, Wendel Solomon, Vidya Ganesh (graduate student), Adam Keil (graduate student), and Dolgorsuren Baasandorj (graduate student).
Professor Kline then moved acceptance of the document, with the question divided so that all parts of the document except Part A (Steering Committee) and Part C (Nominating Committee) would constitute one vote and a separate vote would take place for Parts A and C, which by rules of the senate require a secret ballot. This motion was seconded and approved by a voice vote without dissent. For Parts A and C, a vote by secret ballot was carried out with Professors A.M. Beck and J. A. Walcott-McQuigg serving as tellers. Professor Clarence W. Wilkerson was elected a member of the Steering Committee through 31 May 2006. Professor Linda M. Duttlinger and Professor J. Paul Robinson were elected members of the Nominating Committee each to serve through 31 May 2006.

9. The chair introduced Professor A. Charlene Sullivan, Associate Professor of Management and Co-chair of the Health Plan Advisory Committee, who gave the names of the members of the Health Advisory Committee (see page 20) and spoke briefly about the activities of the committee. The chair then introduced Brent Bowditch, Assistant Director of Human Resources, who addressed the senate on The Environment for the Purdue 2004 Health Plan (see Appendix D).

Following the presentation Director Bowditch and Professor Sullivan answered many questions from the floor. At the chair’s request, Director Bowditch agreed to make himself available to respond to any additional questions that might be of concern.

10. Under new business, Vice President Burns reported on the progress being made towards the creation of a Purdue University Staff/Faculty/Student Child Care Facility. The West Lafayette School Board offered to make available Burtsfield School for use as a child care facility and a group is looking at this possibility. The process is moving forward and may come to fruition by the spring semester of 2004.

11. Two memorial resolutions had been received for Professors Stanley A. Barber, Professor Emeritus of Agronomy and Professor Alvin John Ohlrogge, also Professor Emeritus of Agronomy. At the chair’s invitation the senators rose and remained standing for a period of silence out of respect for their departed colleagues. The resolutions are attached to these minutes and copies will be sent to the next of kin.

12. The meeting adjourned at 4:40 p.m.
REMARKS BY PRESIDENT MARTIN C. JISCHKE

Before I begin my remarks I would like to suggest a moment of silence and reflection as our governor, Frank O'Bannon, is undergoing surgery in Chicago for an emergency. According to the media reports, he collapsed this morning, suffered an apparent cerebral hemorrhage, and is now undergoing emergency surgery at the Northwestern University Hospital. His wife, Judy, has either flown to — or is flying to — Chicago to be with him. The Lieutenant Governor has returned to Indianapolis to consult with the Supreme Court and other constitutional lawyers on the nature of this emergency. I know I speak for everyone at Purdue, the entire Purdue family, wishing the governor a speedy recovery, our best wishes, and concerns to his family as well. Thank you.

Good afternoon and welcome back to yet another fall semester and another school year. For me they seem to be arriving faster and faster every year. Unfortunately I know — and I suspect we all know — the reason is because someone is removing days from the calendar! They’ve got to be stopped before we begin meeting ourselves coming and going. Maybe we already are. This is an exciting time of the year on all college campuses. It is a time of the year that I absolutely love. It is a wonderful energizer and pick-me-up as we leave the hot, humid dull days of early August and are energized by the vitality of yet another class of students.

I have had the pleasure and honor of leading four universities in as many states and I must tell you I think this is the most exciting time I have experienced. Many, many good things are happening at Purdue — a transformational moment for our University. Our plans are progressing successfully. We are seeing the results being accomplished. It is my hope, intention and my belief that Purdue education has never been better. Once again we are seeing and admitting a record setting freshman class. We have met our overall goals in enrollment management. The number of students in the graduate school continues to climb while the undergraduate enrollment levels off and now includes more top performing Indiana high school graduates than ever. Enrollment here at the West Lafayette campus this fall is 38,847 students. Undergraduate enrollment is 30,851 students. There are 57 fewer undergraduates this fall which is in accordance with our enrollment management plan. We believe that the facilities we have on the campus are not sufficient to accommodate additional undergraduates. In addition, the greater Lafayette and West Lafayette communities believe they cannot absorb more undergraduates, their cars and all of the other ancillary activities. And finally the State of Indiana has said clearly in its policies that they will not fund undergraduate enrollment growth here at West Lafayette.

So our plans are to manage a leveling off of undergraduate enrollment. Here is an amazing statistic concerning our enrollment management. Twelve months ago we set an enrollment target for this fall of 38,843. The result is 38,851. We missed our target by eight students! That’s 3 one-hundredths of a percent. That’s amazing, absolutely amazing! A wonderful tribute to the skill of Doug Christiansen and all those who work in Admissions, Financial Aid, and all the people who support that activity. When we manage enrollments we are looking at beginning students, transfer students, regional campus transfers, re-entry students, and continuing students. It’s a huge job, a complicated job, and it involves all the vagaries of 18 year olds, their families, and others making decisions. That we can come so close — essentially
on target— is quite astonishing and to me quite pleasing. The number of students in our graduate and professional programs this fall is four short of 8000, 7,996. This marks the sixth consecutive year that graduate school enrollment has increased. It reflects Purdue’s outstanding reputation and its efforts to attract more graduate students. The reputation of Purdue’s graduate programs is the number one reason our students say they chose Purdue.

The second reason is the accessibility of Purdue faculty and staff during the application process. They compliment us on how we handle the paper, how responsive we are, and how accessible we are. Of course we all recognize that in the soft economy, the job market is tight and that’s probably a factor playing into the growth of our graduate school this year. But the number of graduate students here at West Lafayette has been climbing steadily as the research program of the campus grows and I believe there is a much longer term trend in society of more people going on to graduate school for education. Over the last six years here in West Lafayette, graduate enrollment is up by almost a thousand students or 16%. It is very significant and we are expanding our graduate school enrollment by offering new academic programs; for example, interdisciplinary programs in the life sciences, information security, and nanotechnology. I believe this trend will continue. As we expand the size of our faculty, we will be able to support additional graduate students. Now the graduate student enrollment here is a rather decentralized process. There’s not a central office managing the numbers. It is the aggregate of a lot of individual decisions by departments deciding how many graduate students they want, need and can support. But the trend is quite clear and I believe it is an appropriate trend given our role in the state system of higher education as a research university.

Enrollment this fall at all Purdue campuses is estimated at 69,050. That’s up from 68,637 a year ago. As the undergraduate enrollment remains relatively steady here at West Lafayette, we expect and are trying to facilitate continued growth at our regional campuses. Fort Wayne and Calumet are both proceeding with residence halls. Our regional campus enrollment numbers are: at Purdue Calumet 9,129 up from last fall’s 8,863; at Fort Wayne 6,414 students in IU programs; 5,392 students in Purdue programs. At IUPUI the numbers are up a tiny amount in the Purdue programs and down slightly for Indiana programs. At North Central, the headcount of students is down but credit hours are up as they attract a more full-time younger student body, and the state-wide technology system is within twenty students of where they were a year ago. A major focus of our enrollment management plan here at West Lafayette is to recruit top Indiana students. We want to provide them with the opportunity to study here, the support they need for success, and prepare them to be the leaders of Indiana in the future. I am very pleased to tell you that we have some of the best students from Indiana attending Purdue. I think this is a very important strategic issue, not just for the University, but indeed for the State of Indiana.

You probably have all heard much discussion of the topic “brain drain” that usually refers to the fact that graduates of Indiana colleges and universities are not remaining in the state in sufficient numbers. They don’t take jobs here. The good news on that count is those numbers are going up. For example the fraction of Indiana residents graduating from Purdue and staying in the state went from 75 to 85 percent this last year. That is a rather significant shift. But the brain drain issue, in my view, is a broader one and starts much earlier. It begins when the most talented young people of Indiana leave Indiana to attend out of state universities and never return. We are working hard here at Purdue to change that. This semester there are 229 first time students from Indiana who qualify for Purdue’s academic success awards program. That’s up almost twenty percent from a year ago. These are students who scored at least a 1360 on the SAT and were in the top five percent of their high school class. These are super stars. We have 171 Indiana resident top scholars in our freshman class. That’s up 25 percent from a year
ago. This is a competitive scholarship program based on high school class rank, test scores, Indiana residency, and other academic distinction. We have 91 national merit scholars in the freshman class! This breaks a record for the fourth year in a row, and in addition, we have 202 Indiana high school valedictorians up 10% from a year ago. The average student among incoming freshman has an SAT score of 1150 and is ranked in the top 23% of his or her graduating class. Seventy percent of the new freshman ranked in the top 30 percent of their high school graduating class.

The diversity of this high quality freshman class has maintained the significant increases of last year. African American, Asian American, Hispanic American and Native American students make up 13 percent of our first-year students. That is tantalizingly close to the 14 percent that they represent of the Indiana high school graduates; so we are getting close to a kind of parity. From 1998 to 2001 ethnic groups made up less than ten percent of our freshman class, so we have gone from less than ten to more than thirteen percent. That’s progress! We are especially pleased with our recruitment efforts among African American students. The number of new students in this group is up 15.8 percent, almost 16 percent over last year, and last year was 10 percent above the previous year. So in two years, a twenty-five percent increase in the number of African American students in this high quality freshman class.

I would also tell you this year we are seeing a slight drop in the number of international students. The number of first-time international students is off 32 at the undergraduate level — that is if I remember correctly— 12 or 13 percent and about 200 in the graduate and professional programs. Although overall our graduate enrollment is up, we actually had a decrease of about 200 among international students. We are not absolutely certain why this is. Among the explanations are the war in Iraq and the new federal regulations with regard to international students. We do know that there have been fewer students from other countries applying to US schools, in general, because we believe that the students believe it is difficult to obtain a student visa. Mike Brzezinski, in the Office of International Students and Scholars, says that the student visa application process, while indeed more cumbersome and more lengthy, is not insurmountable. In fact, we think fewer students who were admitted were unable to come because they were unable to get a visa this year. So while it’s a more cumbersome and lengthy process we think in the final analysis it’s not really a stumbling block. Our proactive planning has led to about 1,000 new students from abroad enrolling this semester. They are of course an important part of the international reputation of Purdue and they are, generally speaking, quite extraordinary students.

The undergraduate enrollment breakdown here at West Lafayette by school is:

- Agriculture – 2,391
- Consumer and Family Sciences –1,953
- Education – 1,100
- Engineering – 6,434 the largest
- Liberal Arts second at 6,185
- Management – 2,537
- Pharmacy, Nursing, and Health Sciences – 1,810
- Science – 2,804
- Technology – 4,123
- Veterinary Medicine – 272
- Undergraduate Studies, students who have not decided on a major - 843
- Nondegree students – 399
Two-thirds of our undergraduate students are Indiana residents and 59 percent are male. All of this, I believe, shows good progress on our strategic plans. We are moving forward toward our goals and I think we can and we are celebrating our success. However, we have not met all of our objectives, we still have much work to do but I am optimistic that we will continue the progress.

We have just opened the new 35 million dollar Rawls Hall in our School of Management. It is a state-of-the-art facility that will position our already highly ranked and highly regarded management program up yet another level. If you haven’t had a chance to visit Rawls Hall you really ought to walk through there. It’s a stunning teaching facility. It’s quite beautiful, a lot of natural light, and a lot of wood. It is a gorgeous classroom building. We have opened the new 41 million dollar Visual and Performing Arts Building. This facility marks the transformation for the arts programs here at Purdue. It will be enjoyed by our students, this community, and it will become a focal point of this campus. Also, this fall we will complete the new Bowen Laboratory in Civil Engineering. It is the best such laboratory in the country and as a result of it we have been able to attract a senior faculty member from the University of Texas at Austin where they have a similar but not nearly as nice facility. These facilities make a difference when recruiting. The 14 million dollar addition to and renovation of Pfendler Hall in the School of Agriculture is nearly complete. The alumni center is under construction. The addition to Chemical Engineering Forney Hall is on target. There is more than 75 million dollars worth of construction going on in Discovery Park. We plan to begin constructing a new computer science building. We have completed fund-raising on the renovation of Ross Ade Stadium —although the weekend was not a total success! The General Assembly has given us the go ahead for a new multi-purpose engineering building, and a new bio-medical engineering building and undergraduate program.

I would also tell you although we did not receive everything we requested and need from the Governor and the Indiana General Assembly for this biennium; they did show solid support for higher education in great contrast to what’s happening in other states. I think all of us, I for one, are very, very pleased and grateful for the support we are receiving from the state. I believe this biennium just might be a turning point for education in Indiana.

At a time when many universities across the nation are cutting back or struggling just to stay even, Purdue is moving ahead. I don’t how many of you read the Sunday New York Times; but three weeks ago on the front page in the left hand column there was an article about the impact of funding cuts to higher education across the nation. These are some of the reports:

- The University of Illinois has cancelled 1,000 classes in hundreds of subjects;
- Virginia Tech is eliminating an education major and suspending mandatory history classes because it does not have enough faculty;
- the University of Missouri is cutting teacher training, cutting a nursing degree, and cutting international programs;
- the University of Michigan is doubling the size of some classes, reducing library hours, and cutting freshman seminars.

The list goes on and on. In that Times article Robert Shelton, who is the Provost at the University of North Carolina Chapel Hill, said this: “There is no doubt we’re at a stage where the quality of the educational experience is less than it was two years ago, five years ago, and
certainly less than what we set for our standards.” While this cost-cutting trend is taking place all across the United States, Purdue is increasing faculty and faculty salaries, increasing student aid, increasing technology, adding new degree programs, admitting a better freshman class, launching visionary initiatives in learning, discovery and engagement, and constructing new buildings and facilities at a rate that is unprecedented in the university’s history.

I believe this is the result, first, of the strategic plans that were approved by our Board of Trustees. We know where we’re headed; we know what we want to do. We’ve got a road map to do it. Second, we have incredibly generous alumni and friends and the support of state. Our job now is to continue this progress, continue implementing our plans, and ultimately deliver on the promise of all of these investments. I am confident that we will succeed. Thanks to all of you and everyone you represent, for your leadership, your work and your vision. I think we are going to have another great year. I look forward to working with all of you. Thank you all. Thank you.
REPORT TO THE UNIVERSITY SENATE - PROFESSOR WILLIAM HARPER

Good afternoon and welcome. Our Purdue University Senate will be entering its 40th year of existence this academic year. My name is Bill Harper and I am pleased to serve as your Senate Chair for 2003-2004. Bill McBride is our Vice-Chair, and on behalf of both Bills, we will do our best to represent and interpret your views to the President and to the Board of Trustees.

One of the more colorful characters in American football coaching history was George “Papa Bear” Halas of the Chicago Bears. When he was once asked what city was his favorite on-the-road place to play, he said it would have to be San Francisco. When asked why, he said because it was his favorite booing city. He thought the quality of the boos was wonderful because of its clarity. He said, “Now I don’t mean that the people boo louder or longer, but that there is a very special intimacy in their booing. When they boo you, you know they mean YOU. One time in Kezar Stadium they gave me a standing boo.”

Clear, simple, and direct. Should any of you find that your Senate leadership is doing a lousy job, or that we need to pick up our speed, or that we otherwise need to improve on the way we are representing you, just boo. We’ll get the message.

Let me first take this opportunity to introduce our new Secretary of Faculties, Professor Joe Camp. Joe will be taking over for Sol Gartenhaus who served in this important Senate position for over 20 years. In addition to his duties with us, Joe has moved from Purdue North Central and has taken a position with the Department of Veterinary Pathobiology on the West Lafayette campus. His Ph.D. is from Wake Forest, and his teaching and research interests are in the field of Parasitology. You will recall that Joe has served as Chair of the Steering Committee for the last two years.

On behalf of the University Senate, let me welcome our newly elected senators to our august body. Will our new senators please stand and identify yourselves and the academic unit you are representing? (Senators stood and introduced themselves.) Thank you and once again, welcome.

From the July meeting of the Purdue University Board of Trustees, there were a couple of items in information that may be of special interest to you all. First, Tim McGinley was elected to his sixth 2-year term as Board Chair, and Wayne Townsend was elected Vice-Chair. Trustee McGinley joined the Trustees in 1989 and has been its Chair since 1993. This re-election suggests that will be Trustee continuity in the coming couple of years.

Also at the Trustees meeting, three distinguished professorships were announced and approved. This brings the total number of named professorships to 58 and the number of distinguished professorships to 32:

- David Denis, Professor of Finance, was named to the Burton D. Morgan Chair of Private Enterprise.

- Mileta Tomovic, Professor of Mechanical Engineering Technology, was named to the W. C. Furnas Professor in Enterprise Excellence.
• Thomas Hertl, Professor of Agricultural Economics, was named Distinguished Professor of Agricultural Economics.

On another matter, I invite you all to please consider contributing to our newly created Faculty Scholarships for Students and Staff. You will recall that last year we raised $10,000 within the faculty ranks to support these two categories of giving. We were able to award seven scholarships to students who were identified as most needy. We were also able to help 14 staff members (out of 29 applicants) take one university course to upgrade their job skills. These two scholarship funds are now part of Purdue’s Campaign, so please talk to your colleagues about contributing once again to this important fund.

Finally, let me briefly mention two projects your Senate leadership is taking up in the early fall. First, we have already begun efforts to further improve our faculty website. You will recall that Sol Gartenhaus first, followed by Terry Stewart, initiated and upgraded our site in the last two years. Joe Camp and I have contacted Jamie Mohler, a senior research scientist with ItaP, for some help in building a site that will expand its usefulness to the entire faculty. We will be asking the Faculty Informetrics Committee to participate in the early conceptual thinking regarding the kinds of needs we need to consider in designing a more ambitious site.

Secondly, your Steering Committee has begun discussions regarding ways to improve the Steering Committee’s structure and function. In particular, we are discussing whether or not we should include our Committee Chairs in the Steering Committee. We are also discussing ways to enhance and better coordinate the business of our Senate. Be assured that if it is found that there would be any need to alter any facet of the Steering Committee’s description of composition or responsibilities, we will bring the recommendation to you in the form of a request for change of by-laws.

Thank you again for your willingness to participate in our University Senate for the 2003-2004 academic year. I look forward to serving as your 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
William A. Harper, Chairperson of the Senate
wharper@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 major task of the Nominating Committee comes in the spring in making nominations for senate and University committees. Nominations are made at other times to fill vacancies as they occur.

EDUCATIONAL POLICY COMMITTEE
Timothy L. Skvarenina, Chairperson
ts_kvaren@purdue.edu
1. Study of Instructional Types

FACULTY AFFAIRS COMMITTEE
William J. Zinsmeister, Chairperson
wjzins@purdue.edu
1. Grade Appeals Process
2. Committee on Informetrics
3. Follow-up on faculty development review
4. Tenure Promotion Process

STUDENT AFFAIRS COMMITTEE
John G. Graveel, Chairperson
jgraveel@purdue.edu
1. Review of Student Bill of Rights
2. Academic Integrity

UNIVERSITY RESOURCES POLICY COMMITTEE
John R. Rousselle, Chairperson
rousselj@purdue.edu
1. Faculty input into the budget process
2. Review of Faculty Committees

Vice Chair of the Senate, William L. McBride, wmcbride@purdue.edu
Secretary of the Senate, Joseph W. Camp, Jr.
University Senate Minutes; http://www.purdue.edu/usenate
FACULTY COMMITTEES
AND THE SENATE STANDING COMMITTEES
TO WHICH THEY REPORT

University Educational Policy Committee

1. Academic Organization
2. Academic Progress and Records
3. International Educational Programs
4. Scholastic Delinquencies and Readmissions
5. Superior Students

University Faculty Affairs Committee

1. Censure and Dismissal Procedures
2. Collective Bargaining
3. Committee on the Selection of the President of Purdue University
4. Documents and Records
5. Faculty Compensation and Benefits
6. Grade Appeals
7. Informetrics Committee

University Resources Policy Committee

1. Architectural and Landscape Design and Planning
2. Library Committee
3. Parking and Traffic
4. Staff Appeal Board for Traffic Regulations
5. Visual Arts

University Student Affairs Committee

1. Athletic Affairs
2. Student Financial Aid
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*Approved
The Nominating Committee proposes the following slate of nominees for service on various committees:

A. For the one vacancy on the Steering Committee it proposes Professors:
   George E. Rogers (Industrial Technology)
   Clarence W. Wilkerson (Mathematics)
   for terms of service for 3 years.

B. For the one vacancy on the Educational Policy Committee it proposes Professor:
   S. Laurel Weldon (Political Science)
   for a term of service ending 31 May 2006.

   And as student members of the Educational Policy Committee it proposes:
   Rahim Sewani
   Jamie Spaccarotelli
   Bogdan Gologan (Graduate student)

C. For the two vacancies on the Nominating Committee it proposes Professors:
   Linda M. Duttlinger (Prof. Studies)
   Daniel J. Kovenock (Management)
   J. Paul Robinson (BMS)
   Farshid Sadeghi (Mechanical Engineering)

D. For the liaison from the University Senate to the Purdue Student Government, it proposes Professor:
   John G. Graveel (Agronomy)
   for a term of service ending 31 May 2004.

E. As student members of the Student Affairs Committee it proposes:
   Caitlin Baird
   Katie Hanley
   Jon Hoggat
   Ronald Parratt
   Timothy Rhyne
   Prasanth Karumanchi (Graduate Student)

F. As student members of the Resources Policy Committee it proposes:
   Greg Connor
   Ben Harris
Evie Malaia (Graduate Student)

G. For a three-year term on the Grade Appeals Committee it proposes Professor:

George Bodner

And as student members of the Grade Appeals Committee it proposes:

Erica Conrad
Aaron Donnelly
Blake Everhart
Justin Hubbert
Andrew Peter
Wendel Solomon
Vidya Ganesh (Graduate Student)
Adam Keil (Graduate Student)
Dolgorsuren Baasandorj (Graduate Student)

Approving: Absent:
Joseph W. Camp Bruce R. Hamaker
Natalie J. Carroll Christoph M. Hoffmann
Charles E. Kline Glenn G. Sparks
Craig L. Miller
Whitney Walton

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STEERING COMMITTEE

George E. Rogers

George E. Rogers is an Associate Professor in the Department of Industrial Technology and coordinates its technology teacher education program. Additionally, Dr. Rogers is the Affiliate Director of Project Lead the Way for Purdue University. Prior to assuming his current position, Dr. Rogers was an Associate Professor and Program Head of industrial education at the University of Nebraska-Lincoln. Additionally, he has over ten years experience as a classroom technology education teacher and 24 years experience with the Air National Guard. Dr. Rogers earned his doctoral degree in Practical Arts and Vocational-Technical Education from the University of Missouri-Columbia. He currently serves as Editor of the Journal of Industrial Teacher Education and is past Editorial Board Chair of the Journal of Career and Technical Education.

Clarence W. Wilkerson

Clarence Wilkerson, Professor of Mathematics joined the Purdue faculty as Professor in 1989 after previous service at the University of Hawaii, University of Pennsylvania, and Wayne State University, including two years as chairman of mathematics at Wayne State University. He was an Alfred P. Sloan fellow in 1978-82 and a member of the editorial committee of Math Reviews, 1996-2002. In the department, he has served eight years on the hiring committee, four years on the Promotions committee, four years as departmental representative on the School of Science Area committee, twice on the Head Selection committee, three years as Calculus chair, three years as Computer chair, and two years on the School of Science Diversity committee. In 1997, he was one of two nominees to the Dean for the Head of Mathematics position.
Linda M. Duttlinger

Linda Duttlinger, Department Chair and Associate Professor for Developmental Studies received her B.A., M.S. and Ph.D. from Purdue University. She joined the faculty at Purdue North Central in 1985. She has responsibility for the Freshman Placement testing program and serves as the Assistant to the Vice Chancellor in charge of Academic Advising. In May of 2003, she received the Outstanding Faculty Advisor award for the Indiana Academic Advisors Network. She teaches a course in developmental algebra and has received the Outstanding Teacher Award four times. She is currently serving as the President-elect for the Indiana Association for Developmental Education.

Dr. Duttlinger is beginning her sixth consecutive term as a University Senator from the North Central campus. She has served as Chair of the University Senate for two years and has been a member of the Steering Committee, Advisory Committee and Nominating Committee. At the North Central campus, she was chosen to be the first Secretary of the Faculty for the Faculty Senate.

Daniel J. Kovenock

Dan Kovenock serves as Professor of Economics in the Krannert School of Management. He received his B.Sc. in Mathematics and Economics from the Hebrew University of Jerusalem in 1977 and his Ph.D. in Economics from the University of Wisconsin-Madison in 1983. He has served on the faculty at Purdue since 1983, and was Economics Policy Chairman between 1997 and 2001.

Professor Kovenock's main fields of interest are industrial organization, game theory, microeconomic theory, and political economy. He has published 35 articles on a wide range of topics within economics and the management sciences. Professor Kovenock is currently an editor of the *International Journal of Industrial Organization* and a co-editor of *Economic Theory*. He also serves on the editorial board of the *Strategic Management Journal* and is a past co-editor of *Lecture Notes in Economics and Mathematical Systems* (a Springer-Verlag series). Professor Kovenock is also a member of the Executive Committee of the European Association for Research in Industrial Economics and is a Research Fellow of the CESifo (Munich) Research Network.

Professor Kovenock held an assistant professorship in the Econometric Institute at the Erasmus University Rotterdam in 1989 and 1990 and returned to Rotterdam in the 1994-95 academic year as a Tinbergen Institute Professor at the Tinbergen Institute and Erasmus University. He has also held visiting professorships at the Catholic University Leuven, the University of Melbourne, and the University of Paris I (Panthéon-Sorbonne).

J. Paul Robinson

Paul Robinson is Professor of Immunopharmacology in the Department of Basic Medical Sciences and Professor of Biomedical Engineering in the Department of Biomedical Engineering. He received his B.Sc., M.Sc. and Ph.D. from the University of NSW, Sydney, Australia. He spent four years at the University Michigan Medical School prior to coming to Purdue University in 1988. He has developed and taught several graduate level courses
focusing primarily on bringing advanced technology to graduate students, and staff. His research is in the area of oxygen radicals in immunopathology as well as in developing bioengineering technologies for advanced analysis of biological systems.

Farshid Sadeghi

Professor Sadeghi received his B.S. and M.S. degrees from university of Tennessee in 1979 and 1981 respectively and his Ph.D. from North Carolina State University in 1985. He joined the faculty of Purdue University as an Assistant Professor in January of 1986. He was promoted to Associate Professor and Professor of Mechanical Engineering in 1991 and 1996, respectively. Upon arrival at Purdue he founded the Mechanical Engineering Tribology Laboratory (METL). His area of research includes, tribology, micro-electro-mechanical sensors, stress analysis, fatigue and machine design. He has graduated 7 PhD and 21 M.S. students. Currently serving as the chairman of two Ph.D. and 7 M.S. students. He has published over 50 archival journal publications in the leading international journal and has given over 100 conference and invited presentations at various conferences, governmental Laboratories and industries. He has received over 8.8 million Dollars in research grants and contracts from governmental agencies and industrial companies. He has received two best paper awards (one from ASME and the other STLE) and one educational award from SAE. Since arrival at Purdue, Professor Sadeghi has developed two undergraduate and two graduate courses. The undergraduate courses are at the junior level and are entitled “Machine Design I” and “Mechanics of Materials”; the graduate courses are entitled “Advanced Machine Design” and “Lubrication, Friction and Wear”.

Professor Sadeghi was elected in 1998 and then reelected in 2002 by the faculty of the School of Mechanical Engineering to serve on the University Senate. In 1998 he was elected by the faculty of the School of Mechanical Engineering to serve as a member of the Engineering Grade Appeals Committee. He became the chair of the Grade Appeals Committee in 1999. In this capacity, he met with students, discussed their cases and options, organized, participated and chaired a panel of seven faculties to review the students’ grade appeals for all of engineering. He served on the Mechanical Engineering Advisory Committee from 1995 to 1997. From 1991 to 1994 he served on the Mechanical Engineering Graduate Committee. He served on the Mechanical Engineering Curriculum Committee from 1988 to 1990. Professor Sadeghi has chaired, co-Chaired and/or organized over 30 sessions at international conferences. He served as the 2000 ASME Tribology Conference Chair in Seattle, Washington.
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. I welcome your questions. I've given each of you my business card. I did the same last year and several of you took advantage of it and contacted me. I welcome this. If you have any questions or concerns, please feel free to contact me. Today, Charlene and I want to discuss the environment Purdue is in when it comes to our health plans. And the partnership that we and Purdue must have so we can continue to have excellent health coverage.

Charlene Sullivan will present with me. Charlene is an associate professor in the School of Management. She is also a University Senator, a member of the Faculty Affairs Committee, Chair of the Faculty Compensation and Benefits Committee, and Co-Chair of the Health Plan Advisory Committee. My name is Brent Bowditch. I am an assistant director of Human Resource Services in charge of Staff Benefits.

I will turn the presentation over to Charlene now so she can talk about the Employee/Purdue partnership.
Every $ WE Spend on Health Care is a $ WE Don’t Have for Other Purposes

It is critical that the faculty and staff of Purdue work together to keep the costs of health care low. Every dollar we spend on health care is a dollar we don’t have for other purposes. When I say “WE”, I mean both Purdue and you. For Purdue, it is a dollar we may not have for salary increases. For you, it is a dollar you may not have for a vacation or daily living expenses. Together, it is important for faculty, staff, and Purdue to work together in partnership.

The University has several groups that provide a voice for faculty and staff when it comes to healthcare. I happen to be the chairperson for two committees that provide feedback to the administration. The Faculty Compensation and Benefits Committee meets monthly during the academic year and reports to the Faculty Affairs Committee of the University Senate. This committee deals with all kinds of benefit and compensation issues that are of interest to faculty. Healthcare is a major topic in this committee but other issues that have been discussed recently include dental care, childcare, travel reimbursements and others. Members of this committee include the following:

Charlene Sullivan, Management, Chair of Committee
Robert Bartlett, Political Science
Christine Lehmann, Math at North Central
Edna Loehman, Ag Economics
Osvaldo Campanella, Ag and Biological Engineering
Taggart Smith, Organizational Leadership and Supervision

Liaison members:
Heather Owen, Administrative/Professional Staff Advisory Committee
Jenny Ricksy, Clerical Service Staff Advisory Committee
Cliff Swensen, Purdue University Retirees Association

Any one of them would welcome you contacting them. Brent Bowditch meets with us each month and is a resource to the committee.
I also co-chair the Health Plan Advisory Committee with John Beelke. This committee was created by President Jischke to provide advice to the administration when it comes to health plan issues. Members of this committee include the following:
[continued on next page]
Employee Voice

Faculty Affairs
Faculty Compensation & Benefits Committee
Health Plan Advisory Committee

– Faculty, Administrative/Professional, Clerical/Service representatives
– All four campuses represented

John Beelke, Human Resource Services, Co-Chair
Charlene Sullivan, Management, Co-Chair
James Anderson, Sociology
Robert Jensen, Fitness, Wellness, and Sports at Calumet
Jim Ferguson, Human Resources at Ft Wayne
G. Logan Jordan, Management
Joy Colwell, Organization Leadership Supervision at Calumet
Richard Gallatin, Materials Management Distribution
Christine Lehmann, Math at North Central
Roger Seehafer, Health, Kinesiology, and Leisure Studies
Tom Wilson, Pharmacy Practice

Faculty, professional staff, administrative, and clerical/service staff are all represented on this committee. All four campuses are also represented. Brent Bowditch serves as a resource member. There is a method that works. Decisions are not made unilaterally without input from faculty and staff. If you have any questions, I would be happy to answer them. If not, I will turn the program back to Brent Bowditch.

Thanks, Charlene. Let’s turn now to the financial situation of the health plans.

Financial Situation

Purdue University Medical & Prescription Drug Claims

Costs have Doubled in 6 Years

This slide represents the medical and prescription drug claims costs that we have incurred each year since 1990 to today.

As you can see costs were pretty stable during the early to mid 1990’s. But in 1997 claims costs starting rising very rapidly. In fact in the last six years, our costs have doubled from $31 million in 1997 to $63 million today. And there is no end in sight. Medical costs are projected to continue to increase at double-digit percentage rates. The $63 million only represents the medical claims. There are additional costs that make the total medical budget $74 million today. These additional costs are to pay for the administrators of the plans like Wausau Benefits, Arnett, and AdvancePCS. We also pay for the Employee Assistance Program, the Wellness Program, the Vision Service Plan, Opt-out credits, and other costs. We also need to make sure the medical reserve is appropriately funded.
The Financial Situation

2003 Medical Claims = $62,800,000

2004 Medical Costs Expected to Increase 15.4%

That means we'll need $9,700,000 additional funds over 2003

So What Do We Do?

Well, Purdue plans to add $5.1 million additional funds in 2004. This is an 8% increase.

Purdue Adds an Additional $5.1 Million in 2004

We are asking faculty and staff to add an additional $1.1 million. This represents a total overall increase of 15%. The actual individual dollar and percentage increase or decrease will vary widely according to the plan and type of coverage selected. We expect a number of staff to move to less expensive plans.

2004 Medical Budget

University $68.6 Million 85%
Active Staff 8.6 Million 11%
Inactive Staff 3.4 Million 4%
TOTAL $80.6 Million 100%

If we look at the revenue Purdue is projected to receive in 2004, the University contributes 85% of the total. Active staff contributes 11%. The University contributes the vast majority of the funds to pay for our medical plans.

With medical claims at $62,800,000 and costs projected to increase at 15.4%, the University will need an additional $9.7 million in 2004. This is an enormous amount of money to keep things status quo. We need to work together to try to keep costs to a minimum if at all possible.
2004 Medical Budget

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>$68.6 Million</td>
<td>85%</td>
</tr>
<tr>
<td>Active Staff</td>
<td>$8.6 Million</td>
<td>11%</td>
</tr>
<tr>
<td>Inactive Staff</td>
<td>$3.4 Million</td>
<td>4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$80.6 Million</td>
<td>100%</td>
</tr>
</tbody>
</table>

This was 79% in 1990.

Now, Wait a Minute
Something Doesn’t Add Up

We Need $9.7 Million
Purdue Contributes $5.1 Million
Faculty & Staff Contribute $1.1 Million

Who Shares in the Medical Dilemma?

Purdue
$ Employees
Medical Providers
(Doctors, Hospitals, Pharmacists, etc)
Administrators
(Third Party Administrators, Networks, Medical Management, Pharmacy Benefit Managers)

In 1990, the University’s 85% was 79%. For those of you here in the 90’s, the amounts employees paid hardly increased. Purdue was picking up most of the increases. When costs started going up in the late 1990’s, Purdue was picking up most of those costs. It is a goal of the University to move back down to 80% of the total contribution over a period of years. This is in line with most other employers.

I mentioned earlier that we needed an additional $9.7 million to pay for our healthcare needs in 2004. I also said Purdue would contribute $5.1 million and employees would contribute $1.1 million. So where does the rest come from?

Until recently, most of the funding for the health plan came from Purdue and employees. Now we are taking a broader picture. We also want to consider the administrators of our plans like AdvancePCS, Wausau Benefits, and ICM. Every time we renegotiate a contract we want to make sure it is the best it can be at the best price. We also are looking at how much we are paying the medical providers. One of the things I will talk about is the high price of health care in the Lafayette area. We don’t think you or Purdue should be paying medical costs that are higher than what is reasonable. We think by providing reasonable reimbursement to medical providers, we can save several millions of dollars.

Let’s now jump into the Lafayette area and talk about the medical providers here. There are three major players in the Lafayette area.
Arnett Clinic is a dominant force in Lafayette. They are the major provider of primary care and specialty care. I would venture to say that the majority of you have received some kind of medical care at Arnett at some time in your life. Unity Healthcare is relatively new in this area. Most of the non-Arnett doctors had independent practices. Recently many of these independent doctors have joined under the Unity Health care umbrella. Unity provides some competition to Arnett for the first time in a long time. Unity plans to expand the number of physicians it has in areas that are needed. They plan to open an urgent care center in early 2004. Unity also offers surgical and radiology centers. The last major player in this area is the two local hospitals, both owned by Greater Lafayette Health Services. As you probably know, Lafayette Home Hospital and St. Elizabeth Hospital merged in 1999. There really is no competition for the hospitals when it comes to inpatient care locally. For outpatient care there are a number of outpatient surgical centers in town like Unity Surgical Center and Sagamore Surgical Center.

There are several things I can think of when I characterize the local health market. The first thing is the high costs. We pay some of the highest costs in the country for healthcare right here in Lafayette. As I will show you, Arnett physician costs are unreasonably high. The non-Arnett doctors are only slightly less. Costs at the hospitals have been rising rapidly since the merger. Another characteristic is dominance. There really has not been much competition in Lafayette. Arnett and the hospitals have really controlled healthcare here. Personally, I do not believe this is a good situation. I think the high costs you and I are paying are a result of this. 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 have not been successful. The only one locally has been NETPro. Most non-Arnett physicians in this area belong to NETPro. However NETPro provides discounts off of billed charges. In other words, if a provider belongs to NETPro, they might give a 10% or 20% discount off of their billed charges. The problem with discounts, however, is there is nothing to stop the provider from [continued on next page]
Characteristics of Local Health Market

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

raising their rates to get the same amount of money. Fixed fees are a much better arrangement. Instead of giving a percentage off of billed charges, a set amount is negotiated for a particular medical service. The other characteristic I see in Lafayette is exclusivity. Medical providers here want exclusivity. In other words they want to be the only providers that Purdue employees can see, or they want incentives that make it financially difficult for employees to go to other medical providers. For example, Arnett wants Purdue to have an exclusive arrangement for our health plans to only offer Arnett medical providers. For that Arnett will provide very reasonable rates they charge. We have refused because the Health Plan Advisory Committee has had choice of medical providers as one of their guiding principles when it comes to Purdue healthcare. Purdue Managed Care is a good example of a semi-exclusive arrangement. Employees in this program have strong incentives to use Arnett providers. For this, Purdue pays less. The two hospitals also want exclusivity. With the addition of outpatient surgery centers and radiology in the area, many of the hospital agreements exclude these surgery centers and radiology from being in network. In other words, Unity’s surgery center or radiology cannot join a network even if they wanted to. For this exclusivity, Purdue and employees receive a 22% discount off of billed charges for outpatient services and a 20% discount for inpatient today. I am not a fan of exclusivity. I think in the long run it leads to higher costs by creating lack of competition. A good example of this is the exclusive arrangement the hospitals made with their anesthesiologists. If you go to Home or St Elizabeth hospital, you must use Anesthesiology Associates. Our analysis shows that their rates are higher than most other anesthesiologists. They refuse to join any networks to help control these costs. In contrast, Unity’s Lafayette Anesthesiologists have joined the PHCS network.

This next slide shows you the costs that we are paying a physician for surgery for transcatheter placement of an intracoronary stent. This is heart surgery to put a stent in the arteries. These were actual charges paid to physicians by Purdue employees during the period January to June 2003 on the Purdue 500 and Incentive PPO plans. The $4 thousand dollar amount being charged by Arnett is way out of line. You can also see the savings we are getting by providing exclusivity in the Purdue Managed Care plan. Arnett is charging us $2,761 for the same surgery that Arnett charged $4,233 under the Purdue 500 or Incentive PPO plan. In several cases, it is the same surgeon doing the surgery. But what is disturbing is how much less other physicians in other communities are being paid for this same surgery.
Colonoscopy Covered Charges in Indiana

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lafayette - Arnett</td>
<td>$407</td>
<td>Bean Lake, IL</td>
<td>$404</td>
</tr>
<tr>
<td>Lafayette - Unity</td>
<td>$327</td>
<td>Muncie, IN</td>
<td>$330</td>
</tr>
<tr>
<td>Kokomo</td>
<td>$356</td>
<td>Monticello, IN</td>
<td>$356</td>
</tr>
<tr>
<td>Valparaiso</td>
<td>$415</td>
<td>Muncie, IN</td>
<td>$415</td>
</tr>
<tr>
<td>Elkhart</td>
<td>$614</td>
<td>Lafayette - PMCPMC</td>
<td>$614</td>
</tr>
<tr>
<td>Gary</td>
<td>$661</td>
<td>Lafayette - Unity</td>
<td>$661</td>
</tr>
<tr>
<td>Hobart</td>
<td>$697</td>
<td>Lafayette - Unity</td>
<td>$697</td>
</tr>
<tr>
<td>Muncie, IN</td>
<td>$747</td>
<td>Lafayette - Unity</td>
<td>$747</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>$356</td>
<td>Lafayette - Unity</td>
<td>$356</td>
</tr>
</tbody>
</table>

I've used the colonoscopy example last year and I've updated it using the first six months of 2003. The same holds true for this as for the heart surgery. It is interesting to note that Unity is only slightly less than Arnett but still out of line. By this example, I am not encouraging employees to leave town and go elsewhere. What I am encouraging is that we need to put pressure on our local providers to charge fees that are much more reasonable. When you consider that 101 of the 149 colonoscopies performed were in Lafayette, there is a lot of money being spent that could be in your pockets.

Colonoscopy Covered Charges Elsewhere

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concord, NH</td>
<td>$620</td>
<td>Lafayette - Unity</td>
<td>$671</td>
</tr>
<tr>
<td>Lafayette - Unity</td>
<td>$749</td>
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<tr>
<td>Los Angeles, CA</td>
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<td>Lafayette - Unity</td>
<td>$814</td>
</tr>
<tr>
<td>Colorado Springs, CO</td>
<td>$910</td>
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<td>$910</td>
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<tr>
<td>Colorado Springs, CO</td>
<td>$910</td>
<td>Lafayette - Unity</td>
<td>$910</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>$814</td>
<td>Lafayette - Unity</td>
<td>$814</td>
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<tr>
<td>Cincinnati, OH</td>
<td>$356</td>
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</tr>
<tr>
<td>Lexington, KY</td>
<td>$426</td>
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</tr>
<tr>
<td>Danville, IL</td>
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<td>$422</td>
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<tr>
<td>Manitowoc, WI</td>
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</tr>
<tr>
<td>Rochester, MN</td>
<td>$1,110</td>
<td>Lafayette - Unity</td>
<td>$1,110</td>
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The same holds true for colonoscopies across the country.

So what do we do?

So What Do We Do?

Continue to Strengthen the Incentive PPO

Purdue insures 22,000 individuals for health insurance. That is a large number including employees, spouses, and dependents. We do have an influence, and I think we should use that to help bring the medical care costs in the Lafayette area down to reasonable levels. What we propose to do is continue to strengthen the Incentive PPO and the PHCS network of medical providers. If you remember, last year we introduced the Incentive PPO as a new health plan at Purdue. This plan is the least expensive in terms of what is deducted from your paycheck. It also has incentives for you to use a PHCS medical provider. If you use a PHCS provider you pay only 10% to 15% of the covered charges and have a lower deductible and out-of-pocket maximum. That contrasts to 40% if you use an out-of-network provider. The plan can save you and Purdue substantial amounts of money. The situation we were faced with last year was that there were only about 70 local medical providers in the PHCS network. As a transition, we kept the NETPro network in 2003. NETPro, as you remember, has most of the non-Arnett doctors.
During 2003, PHCS and Staff Benefits has been very busy enrolling new medical providers into the PHCS area locally. I'm happy to say that we will have over 300 local medical providers in the PHCS network as of January 1, 2004. Arnett Clinic and Swan Dermatology are the two major providers that will not have joined the PHCS network. These providers are reducing their charges to reasonable levels and we thank them for working with us. Because PHCS has the vast majority of non-Arnett providers locally, we will no longer use the NETPro network beginning in 2004. Another thing we have seen is the movement from discounts to fixed fees. In other words instead of a provider saying they will give Purdue and its employees a percentage discount off of billed charges, medical providers are agreeing to set fixed amounts for certain medical procedures. This is a good situation. With discounts medical providers only have to increase their billed charge amount to make the same amount of money prior to offering a discount. The other major thing we did with PHCS is to eliminate the exclusive arrangement with the hospitals for outpatient surgeries and radiology effective later this year. This allows some of the newer outpatient surgery centers and radiology groups to compete in the local market, which will help lower prices. Most of these groups we believe will be joining PHCS. We are in current negotiations with the hospitals over financial arrangements and trust that the hospitals will be responsible.

With costs going up the way they have been, Purdue has to make sure we are managing health care costs and what we are covering is appropriate.

ICM is a local company that stands for Individualized Care Management. We use this company currently for the West Lafayette campus. Their purpose is to check for medical necessity and to help employees navigate the medical system and work with employees and their families to get the best value. Purdue uses other companies for this same purpose at the regional campuses. This past year we had a consulting firm do an assessment of the quality of all of these companies. The results showed ICM much better than the other companies we currently use and better than benchmark data. We have decided to use ICM at all four campuses beginning in 2004.
The list on this slide shows what we will be asking employees to pre-certify before having medical treatment next year. Many of these conditions we currently require pre-certification. A perfect example is this body and organ scans.

This ad appeared in the Lafayette newspaper last June. Fifty percent off Father’s Day special for a heart scan! There is no medical reason that justifies a normal healthy adult with no risk factors from having a heart scan. These scans are very expensive and the medical plan and you are paying for them today. Beginning in 2004, these scans will have to be approved for medical necessity or they won’t be paid.

For other conditions on this list, ICM can provide important educational services. For example, if your doctor scheduled you for prostate surgery, ICM can provide you with alternatives that you may want to discuss with your doctor before making a final decision. In other conditions, like some of the surgical situations, you may be faced with purchasing durable medical equipment like crutches or oxygen tanks. ICM can help find these at the best cost.

One of the best ways to save medical costs is to keep you out of the medical system. If we can keep you healthy we are all winners. The University is moving forward with ways to help employees prevent diseases from occurring and improving the quality of your life.
Seventy percent of healthcare costs are directly attributable to lifestyle choices like eating, exercise, smoking, seatbelt use, etc. Living a healthy life makes the quality of your life so much better for you. It saves you money by keeping healthcare costs down.

The Health Plan Advisory Committee (HPAC) has taken an active role in supporting this initiative. Later this month, a committee, reporting to the HPAC will meet with the Summex Corporation for a two-day retreat. This corporation is a nationally recognized consultant in the area of disease prevention and health promotion. The purpose of these efforts is to develop a campus wide program that takes advantage of the resources we have at this University to develop an integrated program to keep employees healthy. I’m really excited about this effort. The faculty and staff on this committee are all involved in aspects of wellness. We should start to see the results of this committee later in 2004 and into 2005.

The other wellness aspect we are working on is the management of chronic diseases.

If you have a chronic disease like coronary heart disease, high cholesterol, diabetes, asthma or any of the other diseases listed on this slide, it is important that you understand your disease and how you can manage it. Asthma is a good example. If you understand this disease and the importance of taking medications regularly, it can eliminate a costly unnecessary trip to the emergency room in the middle of the night.
I’m excited to announce that for those employees on the Purdue 500 and Incentive PPO plans next year, we will be offering ICM’s Delta Disease Education Program. Employees on Purdue Managed Care already have some aspects of this program. This program is voluntary and open to employees and spouses. It is strictly confidential. It will be run by ICM, a local company. Purdue will not even know that you are participating. It includes one-on-one counseling between a registered nurse and you. The nurse will involve your physician. Educational materials are supplied to help you learn about the disease you may have and your nurse follows up to discuss these materials to help you understand them and answer your questions. This program was piloted a year and a half ago with positive results. We think it will be a valuable resource.

Together we are faced with a new order of responsibility.

We all need to be actively involved, choose the best value, consume wisely, and live a healthy lifestyle.

But the University cannot expect you to do this on your own. Purdue also has a responsibility and an accountability to help you achieve your goals. Purdue will provide resources and opportunities to help you succeed. That is our pledge. We are also trying to listen and learn from you. The medical environment is changing so quickly. Some of the decisions we have made are not appropriate. We do listen to your ideas and complaints and act if we think it is appropriate. For example, the situation exists in some cases, where it is more expensive for a husband and wife working at Purdue to get family coverage than it is for one spouse working at Purdue to enroll his or her family. We have made changes in 2004 to remove this unintended penalty. Another situation we plan to change in 2004 is how we pay radiologists, pathologists, and anesthesiologists when you go to a PHCS facility. Radiologists, pathologists, and anesthesiologists are typically independent physicians or physician
groups that work in hospitals or surgery centers. They may or may not belong to the PHCS network. Today if you use these doctors in a PHCS facility, you may pay more because they are out-of-network. Next year, we plan to change so that if you go to a PHCS facility we will treat the radiologists, anesthesiologists, and pathologists as being in-network even if they are not. The only exception is that you will have to pay over usual and customary charges. Unfortunately, these physician groups sometimes do not join the networks the hospital or surgery center join. In situations like Home and St. Elizabeth hospitals, the only anesthesiology group you can use has refused to join the PHCS network. Their costs are very high when compared to what other anesthesiologists get paid. You will be only paying 15% of the costs, but 15% of a higher amount means more money out of your pockets. Another example of a change we plan to make after listening to employees is when employees get admitted to a hospital in an emergency situation. Today, in an emergency, we treat the facility you get taken to as being in-network even if it isn’t. However, if you get admitted, the doctor that sees you will be treated as in or out-of-network based on whether the doctor is part of the PHCS network. Since you have no control over this situation, we will be treating this physician as being in-network beginning in 2004.

That sums up my comments. We are working for you in trying to keep costs down. We need your help. But together, I think we can be successful. I’d like to now open the program up to questions or comments that you might have.
Memorial Resolution
Alvin John Ohlrogge
September 19, 1915 - April 15, 2002

Alvin John Ohlrogge retired from the Department of Agronomy in 1986 and died April 5th, 2002. He was born September 19, 1915 in Chilton, Wisconsin where he grew up on the family dairy farm in a time without rural electricity and with horse drawn wagons. He earned the nickname "Boots" when he played football at the local high school in his farm boots. Al received a B.S. degree from the University of Wisconsin in 1937 and the Ph.D. degree in Agronomy at Purdue University in 1943 where he studied under Dr. George Scarseth.

Al's career at Purdue was dedicated to helping farmers produce more and better food to feed a growing world population. Towards that end, his early research was on intensive crop management and fertilizer applications that contributed to greatly increased corn yields. He was consumed with curiosity and fascination with plants and soils. He went beyond simply looking for effects and taught his students to search for an understanding of processes and interrelationships between the environment and plant nutrient needs. Sixteen years after becoming a professor he was recognized as the outstanding soil scientist in the country for his work on plant nutrition and the development of soil and tissue tests for intensive management.

His later work involved studies of root surfaces and mineral uptake, and the use of growth regulators on corn and soybeans. During his career, he published more than 100 scientific papers, including many highly cited, classic studies on fertilizer-soil interactions and the use of growth regulators in promoting growth and yield. He was the recipient of numerous national awards including the Soil Science Award in 1962, the Agronomic Research Award in 1975, and membership in the American Association for the Advancement of Science, the Soil Science Society of America and the American Society of Agronomy. During his 41 years on the faculty at Purdue, "Dr. Al" trained 59 advanced degree students, 29 of whom received the Ph.D.

Al was born with retinitis pigmentosa, which led to a gradual narrowing of his field of vision until at age 35 he could no longer safely drive and by age 50 he had much difficulty reading. To keep up with his science he employed readers and relied on his students and his wife to help him attend meetings and conferences. He also learned Braille, learned to use a cane and although frustrated at times by this disability, he refused to be slowed by it. He was an adventurous man. In 1952, he took his wife and two small children to live in a poor region of Pakistan, where he served for nine months as a soil fertility advisor. In 1959 he bought a folding kayak with a sail and learned to sail. In the 1960's he learned Morse code and became a ham radio operator. At the age of 65, he carried a backpack through the mountains of Montana and crawled across mountain streams on logs that he could barely discern.

Music was an important part of Al's life. He played a dozen different instruments, including violin, piano, accordion, and harmonica. He had an extensive repertoire of traditional songs and he was able to improvise and learn pieces simply from hearing them. He loved playing for his own enjoyment and participating in a band that entertained local audiences.

At Purdue, Al met and married Harriet Beyer in 1944. During 57 years of marriage, they raised two children, Ann and John, traveled the world together, enjoyed four grandsons and maintained a positive attitude through their health challenges. Al slowly lost his sight, but always maintained his "vision" and productivity. Dr. Ohlrogge was inspired in his early years by his association with Prof. George Scarseth whom he honored by helping organize the Scarseth Scholarship Fund that now supports the travel of many graduate students in the Department of Agronomy at Purdue.

William W. McFee
Memorial Resolution
Stanley A. Barber
March 29, 1921 – December 12, 2002

Stanley A. Barber, Professor Emeritus of Agronomy, passed away in Columbus, Ohio on December 12, 2002 at the age of 81. He was born March 29, 1921 in Wolseley, Saskatchewan, Canada. He moved to West Lafayette in 1949 and married Marion Powell in 1950. Stan and Marion resided in West Lafayette until 1999 when they moved to Columbus. Marion Barber passed away on February 19, 2003.

Professor Barber attended the University of Saskatchewan and received his Bachelor of Science degree, with great distinction, in 1945 and his Master of Science degree in soil chemistry in 1947. He received his Ph.D. in 1949 at the University of Missouri under the direction of Dr. C. E. Marshall.

Dr. Barber’s professional career was spent at Purdue University where he started as Assistant Professor in 1949, was promoted to Associate Professor in 1952 and to Professor in 1958. In 1988, Purdue recognized his many research contributions by promoting him to the John B. Peterson Distinguished Professorship.

Dr. Barber investigated soil nutrient uptake by plant roots by applying the principles of plant physiology, chemistry, and physics, together with mathematics and computer science. He, along with his many students, successfully separated the various components of the complex plant-soil system, describing each separately and then combining them together in a computer model to accurately predict nutrient uptake. The model greatly facilitates research on efficient fertilizer use as well as predicting the root systems needed for high yielding crops.

As an international authority on plant nutrition, Dr. Barber presented over 60 invited lectures in other countries and published over 185 research papers. His book, Soil Nutrient Bioavailability: A Mechanistic Approach, is the authority on plant nutrient uptake. He directed the programs of 55 graduate students and 30 visiting scientists. Dr. Barber served as the associate editor for five journals and served on the boards of the American Society of Agronomy, the Soil Science Society of America, and the International Soil Science Society.

Dr. Barber was elected to the National Academy of Sciences in 1987. He was elected Fellow of the Indiana Academy of Science, 1962; the American Society of Agronomy, 1964; and the Soil Science of America, 1974. In addition, he received numerous other recognitions including Honorary Member Award from the National Fertilizer Solutions Association, 1978; University of Missouri Alumni Association “Citation of Merit” Award, 1981; Sigma Xi Research Award, Purdue University, 1983; Agronomic Research Award, 1983 and the Agronomic Achievement Award, 1984, by the American Society of Agronomy; and the Bouyoucos Soil Science Distinguished Career Award by the Soil Science Society of America, 1985. In 1986 he received the Herbert Newby McCoy Award by Purdue University; an Honorary Doctor of Laws degree from the University of Saskatchewan, the Distinguished Graduate in Agriculture Award by the University of Saskatchewan, and the Alexander von Humbolt Award by the Alexander von Humbolt Foundation, Hamburg, Germany. In 1987, Dr Barber was awarded the Certificate of Distinction from the Purdue Agricultural Alumni Association, the Gamma Sigma Delta International Award for Distinguished Service to Agriculture, and the Canadian Industries Ltd., Distinguished Visiting Lecturer.

Stan and Marion have two daughters, Darlene of Hillard, Ohio and Rebecca of Webster Groves, Missouri, and three grandchildren. Stan was devoted to his family and loved doing puppetry and traveling with his wife. Together, the Barber’s gave much joy to many students and colleagues through their mentoring and hospitality. Professor Barber was a devoted family man, an extraordinary scientist, and a beloved colleague. He is greatly missed.

George E. Van Scoyoc