

COMMISSION FOR HIGHER EDUCATION

Friday, February 11, 2011

DECISION ITEM B-2: Advanced Manufacturing Training & Technology Center at Vincennes University- Jasper Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *Advanced Manufacturing Training & Technology Center at Vincennes University- Jasper Campus*. Staff recommendations are noted in the staff analysis.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly within ninety (90) days after the project is submitted to the Commission. This project was authorized by the General Assembly.

The Trustees of Vincennes University request authorization to proceed with the Jasper Center for Applied Technology & Advanced Manufacturing. This project was first authorized in the 2007 legislative session. It is eligible for fee replacement at a bonding level of \$8 million. The total project cost is \$12 million, with the remaining \$4 million to come from businesses and industry partners, and Vincennes University and Foundation endowments. Since they have anticipated this project to be coming over the last many years, all funds have been set aside. In addition, as a demonstration of the corporate commitment to this project, Masterbrand has donated ten acres of prime commercial property adjacent to the Jasper Campus, valued at approximately \$350,000.

Supporting Document

Advanced Manufacturing Training & Technology Center at Vincennes University- Jasper Campus, February 11, 2011.

ADVANCED MANUFACTURING TRAINING & TECHNOLOGY CENTER AT THE VINCENNES UNIVERSITY – JASPER CAMPUS

Project Description

PROJECT SUMMARY:

A state-of-the-art Advanced Manufacturing Training and Technology Center at the Jasper campus. This new facility will bring both technical and specialized training not only to greater Dubois County but also to southwestern, south-central, and southeastern Indiana. In addition, this new facility will provide the opportunity to bring many of Vincennes University technical programs, currently offered only on the Vincennes campus, to the Jasper campus.

PROJECT DESCRIPTION:

The Advanced Manufacturing Training & Technology Center to be located at Vincennes University's campus in Jasper will be a powerful asset in enhancing the capacity to serve as a technical and specialized training center for southwestern, south-central, and southeastern Indiana. The Jasper facility will have advanced manufacturing and technology, focusing on manufacturing, but also bring technology to the Jasper campus which they currently do not have. Primarily serving commuting students this facility will provide instruction of in-demand employment skills as well as degree earning opportunities.

Participants would have full access to the multi-purpose training labs and specialized facilities housed in the new center. Students may also utilize other facilities on the Jasper campus which offers the full complement of resources to degree and non-degree seeking students. Campus labs, facilities, and resources are also available to support training in the use of specialized software, manufacturing and production processes, or skill development that would meet employer needs.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

Vincennes University fulfills a unique role in Indiana's system of higher education. As a public, comprehensive university, Vincennes University has a two-fold mission: preparing graduates for junior level transfer into four-year colleges and universities, and preparing two-year occupational graduates with the job skills needed to achieve immediate job placement, as well as with the academic skills necessary to support lifelong learning. The new Advanced Manufacturing and Technology Center on the Jasper campus will be instrumental in allowing VU to be the leader in high-tech business and industry and vocational education. It will act as a catalyst for the continuous upgrading of the region's human capital and will be an incentive for sustaining and attracting new industry. We believe this project will result in a significant return on investment by promoting economic development and expansion along the greater Dubois County and surrounding areas. This initiative is consistent with VU's long-range planning and unique educational mission.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES:

Vincennes University has recognized for many years that Indiana is unique as a leading manufacturing state. In addition, VU realizes that centers of manufacturing equate to a large need for human and intellectual capital. Therefore, considerable time and resources have been spent over past decades in

developing special curriculum and evaluating techniques tailored to suite the diverse industrial needs of Indiana. The strength of Vincennes University lies in its ability to adapt to the ever changing business and technical world to fulfill the employment needs of Indiana through specialized training. However the proposed Workforce Development Campus needs a cooperative effort between business and industry throughout Indiana.

Vincennes University believes that Indiana is alive with vibrant communities, attractive employment opportunities, and industries that make a difference within the state. This initiative will establish Vincennes University as a Technology Center that will provide the technical assistance for new development, high tech companies and future technology training for industries. This facility will also be used as a primary focus point by the Indiana Department of Commerce in attracting new business to the state of Indiana.

ALTERNATIVES CONSIDERED

No acceptable alternatives that were cost-effective were apparent. The new Advanced Manufacturing Training and Technology Center on the Jasper campus is designed to utilize state-of-the-art technologies in a centralized location in a cost-effective manner.

RELATIONSHIP TO LONG-RANGE FACILITIES PLANS

The addition of the new Advanced Manufacturing Training and Technology Center in Jasper is consistent with the University's plans of providing high quality facilities to meet the growing needs of specialized programs.

HISTORICAL SIGNIFICANCE

None

STAFF ANALYSIS

Vincennes University is requesting funding and the ability to proceed forward with the Advanced Manufacturing and Technology (AMT) Center in Jasper, Indiana at total cost of \$12 million. Of the total cost, the state's share is \$8 million and Vincennes University has secured an additional \$4 million of outside gift funds and support for the facility. The facility will be a 57,000 gross square foot building attached to the current Vincennes University Jasper campus. Land donated by MasterBrand Cabinets, Inc. at a cost of \$250,000 will be used to construct the new facility.

The new facility will mirror that of the Gibson County Advanced Manufacturing and Technology Center that was approve by the Commission in November 2008. That facility was 50,000 gross square feet and cost \$10 million to construct, in addition to \$2 million in land acquisition. The state funded \$5 million for the project.

Various degrees and certificates will be offered as a result of the new facility being constructed, which are currently not offered at VU at this time. 8 new degree programs and 3 new certificate

programs will be added to the VU Jasper campus academic program with the construction of this new facility, ranging from Welding Technology and Biomedical Technician degrees to Electronics Fundamentals and Logistics certificates. VU anticipates that in the first year of operation, approximately 100 FTE degree seeking students and 500 non-degree seeking students will take classes. By the 5th year of operation, VU projects 450 FTE degree seeking students and 2,500 non-degree seeking students will be taking classes on the campus.

There has been an overwhelming level of support for this project by Dubois County, the City of Jasper and various businesses and groups interested in the project. On November 30, 2010, a larger group of community leaders, businesses, school corporations, etc. meet to endorse the Jasper AMT Center and provided the Commission staff with a letter of support. In addition, nearly \$525,000 has been raised to help support the project and its costs. Support from the Dubois County Commissioners, the City of Jasper, the Dubois Count Area Development Corporation and the donation of land by MasterBrand, Inc. will help support this project and costs with starting the new facility. VU anticipates an additional \$500,000 of outside support for this project, bringing the total outside funding support to nearly \$5 million, almost half the cost of the overall project.

The capital project is anticipated to energize economic development in Dubois County and surrounding area counties by providing training, education, degrees and certificates to individuals and student who need additional education. In addition, many businesses in the area support the capital project because of its expected impact on attracting potential employers to the area along with keeping current employees trained and educated for future workforce challenges. The new facility will help prepare and train individuals and students with industry specific skills based on Dubois County and surrounding county's workforce demands and the feedback VU has received over the last year from businesses and economic leaders in the area.

Estimated fee replacement for the Jasper AMT Center, is \$698,000. The total cost of the project, as requested by VU is \$12 million, with \$4 million from outside funding sources and \$8 million from state funds. Staff recommends that the Commission provide a favorable review of the VU Jasper AMT Center, at the full state funding level of \$8 million.

Note, at this time funding for this project was not included in the Commission's 2011-2013 budget recommendation or in Vincennes University's annual fee replacement appropriation. Commission staff will notify both House and Senate fiscal staff, the State Budget Agency and the State Budget Committee of the fiscal impact to the state if the project is approved by the Commission.