

Final Report on 2009-11 As-Passed Higher Education Budget

Indiana Commission for Higher Education
August 14, 2009



INDIANA COMMISSION
for
HIGHER EDUCATION

Budget Process

- CHE Budget Recommendations
- Governor's Recommended Budget
- House Passed Budget
- Senate Passed Budget
- Conference Committee Budget Fails (no budget in regular session)
- Special Session Gov's Recommended Budget
- Special Session House Passed Budget
- Special Session Senate Passed Budget
- Special Session Conference Committee Report Passed ("As-Passed Budget")



CHE Recommendations

(pre: Adj. Revenue Forecasts & ARRA)

- Seven Performance Based Funding Formulae
- Campus Operating Appropriations:
 - 1% (FY10) and 2% (FY11)
- Line Items Flat
- Ind. Innovation Alliance \$20M
- R&R at FY 09 levels
- \$160M New Capital Projects
- Debt Service for new projects funded in budget
- SSACI 15% (FY10), 6% (FY11)



CHE Recommended Funding Formulae in As-Passed Budget

2007-09 Budget

Enrollment Change (attempted)

Change in Total Degrees

Change in On-Time Degrees

2-yr Transfer Incentive

Research Support Incentive

2009-11 Budget

Enrollment Change (phase-in of successfully completed cr. hrs.)

Change in Total Degrees

Change in On-Time Degrees

Low-Income Degree Completion

2-yr Transfer Incentive

Non-Credit Eco-Devo Incentive



Completion Incentive Funding Formulae

- Change in Total Degrees Funded 50% (FY10) and 75% (FY11):
 - Change in any baccalaureate or associate degrees for any student
 - \$5,000 for baccalaureate, \$3,500 for associate
- Change in On-Time Degrees Funded 50% (FY10) and 75% (FY11)
 - Change in the 4-yr or 2-yr graduation rate for cohorts
 - \$5,000 for baccalaureate, \$3,500 for associate



Completion Incentive Funding Formulae

- Change in Degrees Awarded to Low Income Students Funded 50% (FY10) and 75% (FY11):
 - Change in any baccalaureate or associate degrees for any student that received a Pell Grant
 - \$5,000 for baccalaureate, \$3,500 for associate
 - NEW FORMULA
- 2-Yr Transfer Incentive Funded 50% (FY10) and 75% (FY11)
 - Grants \$875 per FTE for credit hours transferred to a 4-yr campus from ITCCI or VU
 - Changed formula from 2007-09



Completion Incentive Funding Formulae

- Enrollment Change Funded 50% (FY10) and 75% (FY11)
 - Phasing in the transition from counting “Attempted Credit Hours” (number of credit hours enrolled at the beginning of a semester) to “Successfully Completed Credit Hours” (number of credit hours students complete and receive a grade of at least D-)
 - Phase in is 90%/10% in FY 10 and 75%/25% in FY 11
 - Will phase in completely at end of next biennium
 - Enrollment Change and Change in Total Degrees do not overlap



Economic Development Incentive Formulae

- Research Support Formula not funded:
 - Indiana Innovation Alliance Funded \$10M in each of FY10 and FY11
 - Core research \$5M
 - Medical Educ. Center Expansion \$3M
 - Tap Program \$2M
 - Oldest of existing funding formulae
- Non-Credit Instruction Incentive Funded 50% (FY10) and 75% (FY11)
 - For ITCCI and VU to expand non-credit workforce instruction activity
 - **NEW FORMULA**



Campus Operating Appropriation Change

	<u>FY 10</u>	<u>FY 11</u>
% change	(3.8%)	(0.3%)
\$ change	(\$48.4M)	(\$3.4M)

NOTE: As-passed higher education budget utilized across the board cuts of 5.2% in FY10 before 50% formulae add-back and 2.5% in FY 11 before 75% formulae add-back



Campus Operating Appropriations

<u>INDIANA UNIVERSITY</u>	<u>%Δ</u>	<u>FY 10</u>	<u>%Δ</u>	<u>FY 11</u>
Bloomington	-3.6%	\$194,908,592	-2.2%	\$190,670,086
East	-4.1%	\$7,978,684	-1.0%	\$7,896,005
Kokomo	-3.8%	\$10,409,563	-0.6%	\$10,345,995
Northwest	-4.5%	\$17,243,776	-1.7%	\$16,949,512
South Bend	-4.6%	\$22,157,280	-1.7%	\$21,772,918
Southeast	-4.1%	\$20,002,235	-0.8%	\$19,846,717
IUPUI Health	-6.8%	\$115,968,858	-1.5%	\$114,175,435
IUPUI General Academic	<u>-3.6%</u>	<u>\$80,314,605</u>	<u>-0.1%</u>	<u>\$80,232,626</u>
	-4.5%	\$468,983,594	-1.5%	\$461,889,293



Campus Operating Appropriations

PURDUE
UNIVERSITY

	<u>%Δ</u>	<u>FY 10</u>	<u>%Δ</u>	<u>FY 11</u>
West Lafayette	-5.3%	\$248,053,173	-2.8%	\$241,119,044
Calumet	-4.2%	\$27,028,286	-1.0%	\$26,750,801
North Central	-1.0%	\$11,847,744	3.8%	\$12,299,238
IUPU Ft. Wayne	-2.8%	<u>\$37,378,801</u>	1.2%	<u>\$37,816,896</u>
	-4.8%	\$324,308,004	-1.9%	\$317,985,979

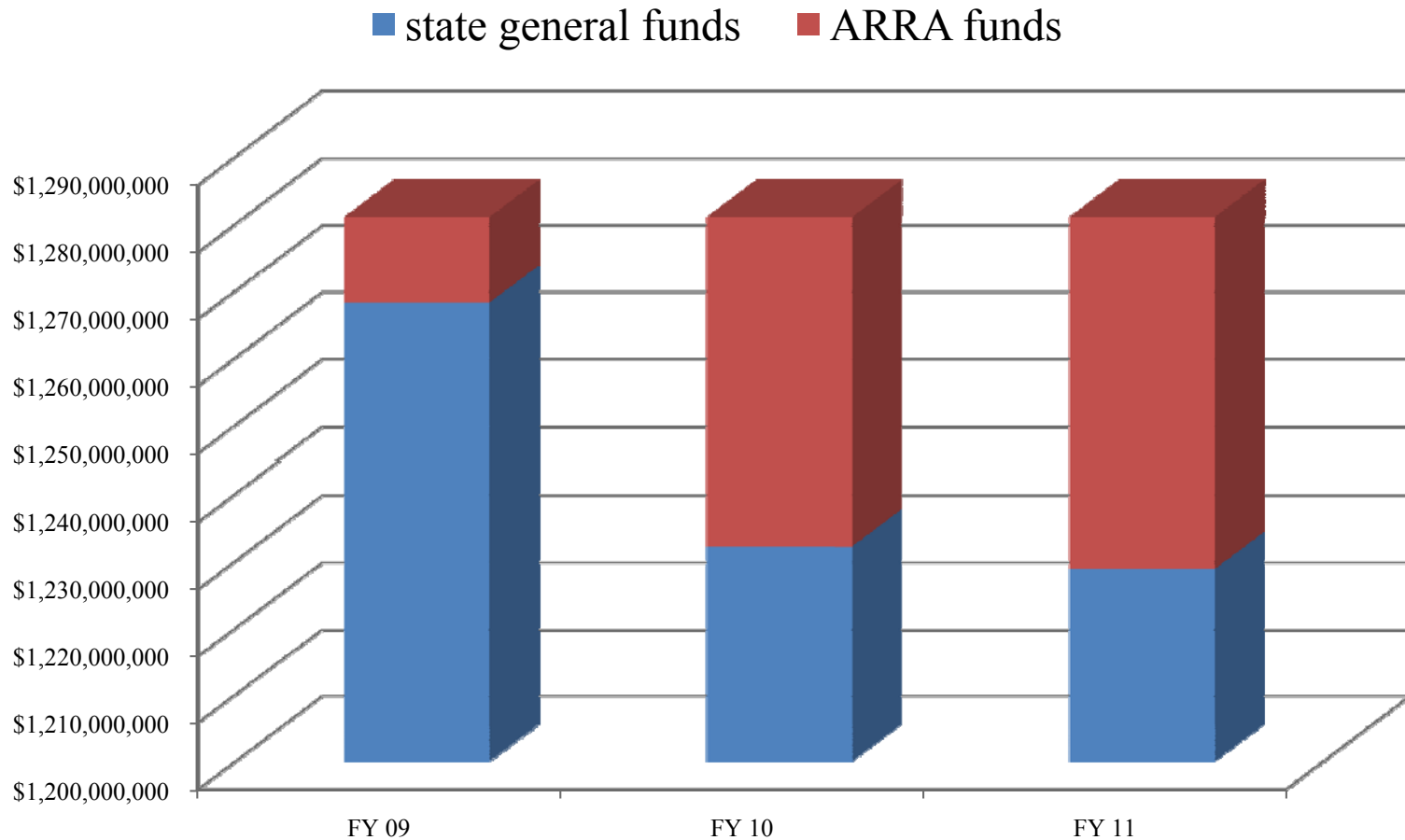


Campus Operating Appropriations

	<u>%Δ</u>	<u>FY 10</u>	<u>%Δ</u>	<u>FY 11</u>
Indiana State University	-5.8%	\$72,442,778	-1.3%	\$71,536,249
Univ. Southern Indiana	-3.3%	\$39,044,222	0.3%	\$39,172,365
Ball State University	-3.7%	\$125,529,452	-0.3%	\$125,182,828
Vincennes University	-4.0%	\$37,420,510	-0.6%	\$37,190,537
Ivy Tech Community College of Indiana	1.2%	\$164,419,166	6.9%	\$175,842,161



Using ARRA Funds to Restore State Fund Reductions



NOTE: ARRA funds may be used for Operating or R&R



New Capital Projects

	<u>state funding</u>	<u>non-state funding</u>	<u>Total Cost</u>
PUWL Life Sciences Lab Renovations	\$10,000,000		\$10,000,000
PUWL Medical School Renovations	\$6,000,000	\$6,000,000	\$12,000,000
VU Davis Hall	\$850,000		\$850,000
VU P.E. Building	\$5,000,000		\$5,000,000
ISU Federal Building	\$20,000,000		\$20,000,000
USI Teacher Theatre	\$15,000,000		\$15,000,000
IU Northwest Tamarack Hall	\$33,000,000		\$33,000,000
IU Life Sciences Lab Renovations	\$10,000,000		\$10,000,000
IU Ed & Tech Building	\$22,000,000		\$22,000,000
IUPUI Life Sciences Lab Renovations	\$10,000,000		\$10,000,000



New Capital Projects

	<u>state funding</u>	<u>non-state</u>	<u>Total Cost</u>
ITCC Gary	\$20,000,000		\$20,000,000
ITCC Anderson Campus	\$20,000,000		\$20,000,000
ITCC Warsaw Campus	\$10,100,000		\$10,100,000
ITCC Bloomington Campus	\$20,000,000		\$20,000,000
BSU Central Campus	\$19,700,000		\$19,700,000
IPFW Innovation Center	\$10,000,000		\$10,000,000
IUPUI Neurosciences Building	\$23,000,000	\$10,000,000	\$33,000,000
IU Bloomington Cyber Infrastructure	\$16,000,000	\$19,700,000	\$35,700,000
PUNC Student Services Complex	\$23,700,000	\$6,300,000	\$30,000,000
ITCCI Elkhart supplemental funding	\$4,000,000	\$0	\$4,000,000



New Capital Projects

	<u>state funding</u>	<u>non-state</u>	<u>Total Cost</u>
PUWL Student Wellness Center		\$98,000,000	\$98,000,000
IPFW Parking Garage		\$16,800,000	\$16,800,000
<u>PUWL Drug Discovery Facility</u>	<u>0</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>
TOTAL NEW PROJECTS	\$298,350,000	\$176,800,000	\$475,150,000

NOTE: Projects in red were recommended by CHE



Restated Capital Projects

2007 Re-stated Bonding Authority

	<u>state funding</u>	<u>non-state funding</u>	<u>Total Cost</u>
ISU Life Sciences/Chemistry Lab	\$14,800,000	\$0	\$14,800,000
<u>BSU Central Campus (academic project, Phase I & Utes)</u>	<u>\$33,000,000</u>	<u>\$0</u>	<u>\$33,000,000</u>
Sub Total	\$47,800,000	\$0	\$47,800,000

2005 Re-stated Bonding Authority

	<u>state funding</u>	<u>non-state funding</u>	<u>Total Cost</u>
PUNC Parking Garage	<u>\$0</u>	<u>\$8,000,000</u>	<u>\$8,000,000</u>
Sub Total	\$0	\$8,000,000	\$8,000,000



Debt Service Appropriation Changes

	<u>FY 10</u>	<u>FY 11</u>
% change	(5.1%)	15.4%
\$ change	(\$9.0M)	\$25.7M

NOTES:

1. There remains \$185M in capital projects authorized by the 2007 General Assembly awaiting approval.
2. \$16.5M is appropriated to the State Budget Agency for debt service in FY 11. This debt service is not specifically connected to any projects.
3. Debt service requirements for all 2007 unauthorized projects and new 2009 projects would be approximately \$40.5M



Repair & Rehabilitation

(funded through ARRA funds)

	<u>FY 09</u>		<u>FY 10</u>		FY 11
IU	\$12,601,282	-25%	\$9,468,483	0%	\$9,468,483
PU.	\$9,888,659	-25%	\$7,430,244	0%	\$7,430,244
ISU.	\$2,340,990	-25%	\$1,758,997	0%	\$1,758,997
USI	\$560,963	-25%	\$421,502	0%	\$421,502
BSU.	\$3,363,150	-25%	\$2,527,039	0%	\$2,527,039
VU	\$1,136,484	-25%	\$853,943	0%	\$853,943
<u>ITCCI</u>	<u>\$1,143,521</u>	<u>-25%</u>	<u>\$859,231</u>	<u>0%</u>	<u>\$859,231</u>
TOTAL	\$31,035,048	-25%	\$23,319,439	0%	\$23,319,439



State Student Assistance Commission of Indiana

	FY 09	%	FY 10	%	FY 11
SSACI Higher Education Awards	\$139,515,254	6.5%	\$148,575,712	2.9%	\$152,886,733
SSACI Freedom of Choice Awards	\$47,583,031	6.5%	\$50,660,522	2.9%	\$52,130,838
SSACI Hoosier Scholar Awards	\$416,160	-2.8%	\$404,500	0.0%	\$404,500
SSACI Minority Teacher Scholarship	\$415,919	0.0%	\$415,919	0.0%	\$415,919
SSACI College Work Study	\$837,719	0.0%	\$837,719	0.0%	\$837,719
SSACI Grant Administration	\$1,332,750	-19.5%	\$1,073,337	0.0%	\$1,073,337
SSACI Southeast Indiana Contract for Space	\$627,785	-27.0%	\$458,253	0.0%	\$458,253



State Student Assistance Commission of Indiana

	FY 09	%	FY 10	%	FY 11
SSACI 21st Century Scholar Program Administration	\$2,102,648	0.0%	\$2,102,648	0.0%	\$2,102,648
SSACI 21st Century Scholar Program Awards	\$26,519,274	6.7%	\$28,289,852	2.9%	\$29,109,298
SSACI Part-time Student Grant Program	\$5,462,100	0.0%	\$5,462,100	0.0%	\$5,462,100
SSACI Nursing Scholarships	\$418,389	0.0%	\$418,389	0.0%	\$418,389
SSACI National Guard Supplemental Grant	\$3,366,477	-14.6%	\$2,874,264	0.0%	\$2,874,264
<u>SSACI Statutory Fee Remissions</u>	<u>\$20,557,932</u>	<u>0.0%</u>	<u>\$20,557,932</u>	<u>0.0%</u>	<u>\$20,557,932</u>
TOTALS	\$249,155,438	5.2%	\$262,131,147	2.5%	\$268,731,930



State Student Assistance Commission of Indiana

- SSACI has announced 31% decrease in O'Bannon award caps (HEA & FOC)
 - 23% increase in applications over prior year
 - 27% increase in on-time applications
 - \$4,206 new public cap
 - \$7,584 new private cap
- Though awards have been capped as a rationing device since 2003, these numbers are unprecedented



Line Items

- Most Line Items reduced 4% in FY10 and flat in FY11
 - CHE operating budget (4%) FY10, 0% FY11
 - CHE Statewide Transfer System (4%) FY10, 0% FY11
 - BSU \$1M (ARRA part B) for Entrepreneurial College
 - IHETS reduced 88% (to become primarily user fee funded)
 - Learn More Indiana not funded



Notable Language

- CHE and SSACI to undertake comprehensive study of Indiana's financial aid system (“provided by [SSACI] and the state's public universities”)

