

# **Commission for Higher Education**

**April 30, 2007**

**Charles E. Schalliol**

**Director, Office of Management and Budget**

**State of Indiana**

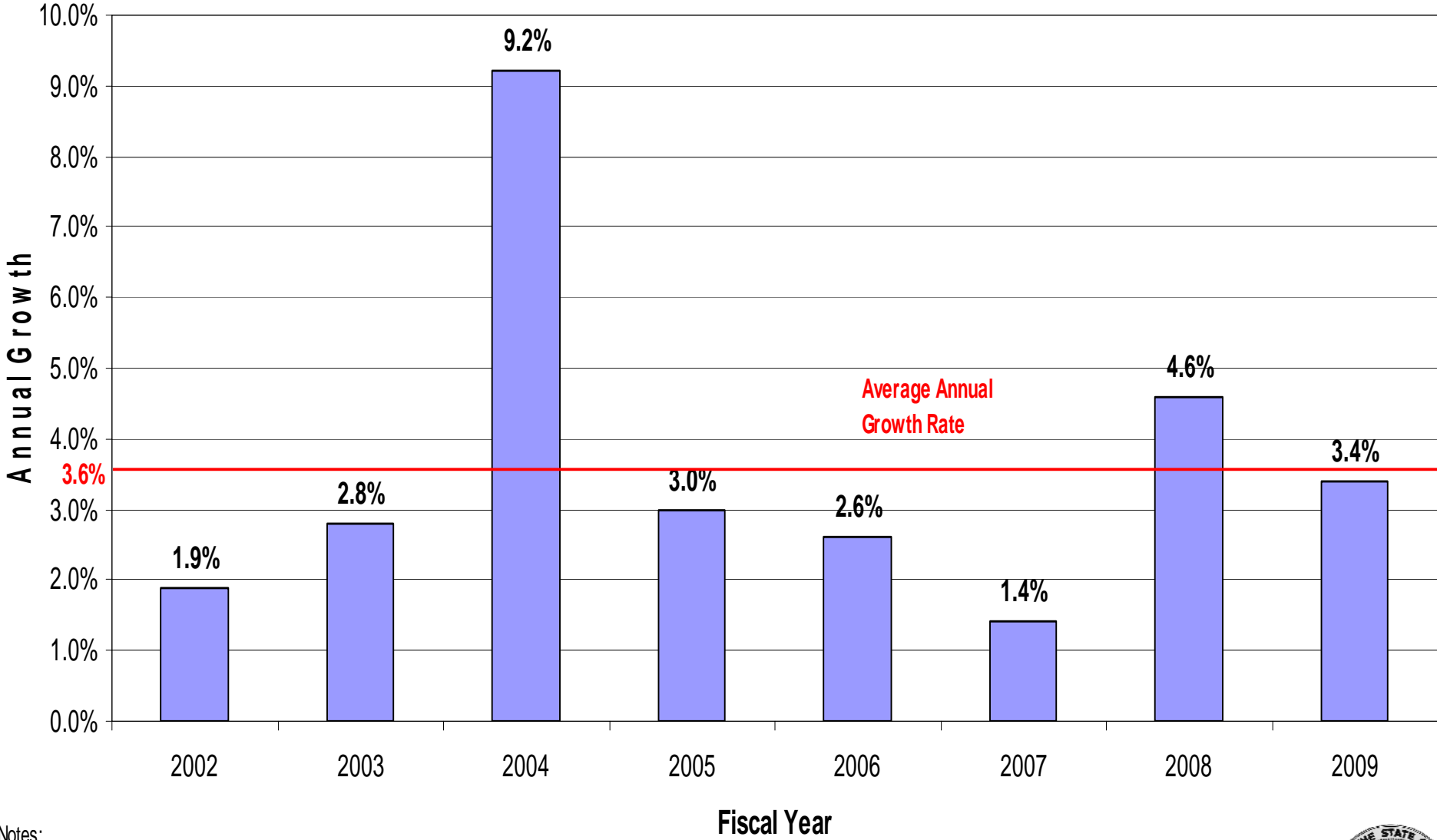


# Topics on My Mind One Year Ago

1. Debt Service Expenses
2. Operating, R&R, Debt Service as separate budget items
3. University Missions
4. Tuition Increases
5. Research Formula / Component
6. Enrollment versus Degrees granted
7. Differential Costs of Campuses
8. Partnerships / Economic Development



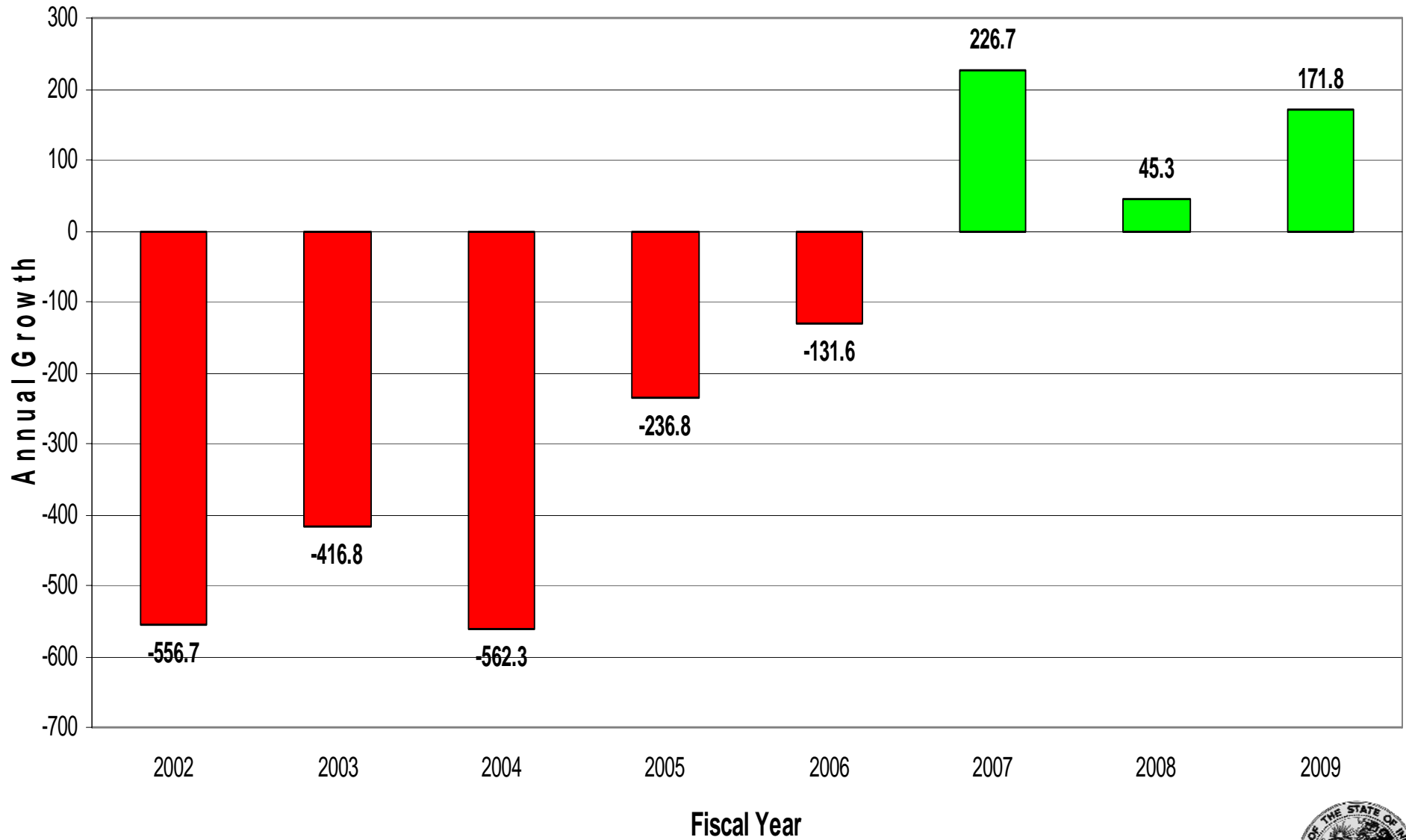
# Annual Expenditure Growth at Time of Passage



Notes:  
 General Fund and Property Tax Replacement Fund Expenditures only.  
 FY02 and after-expenditure growth is adjusted to account for the payment delays and excess reversions.  
 FY04 large expenditure growth is due to property tax replacement credits.



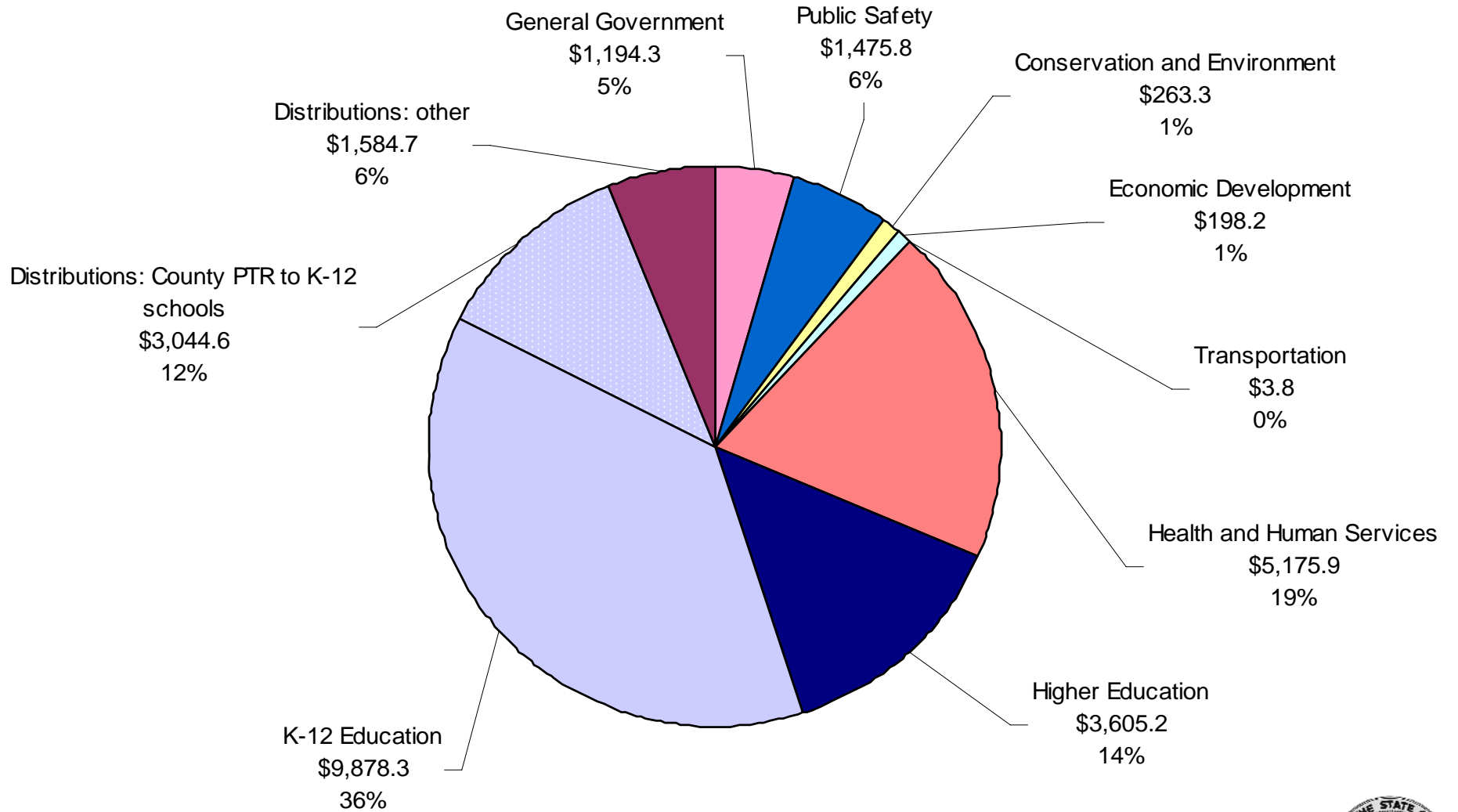
# Deficit/Surplus at Time of Passage



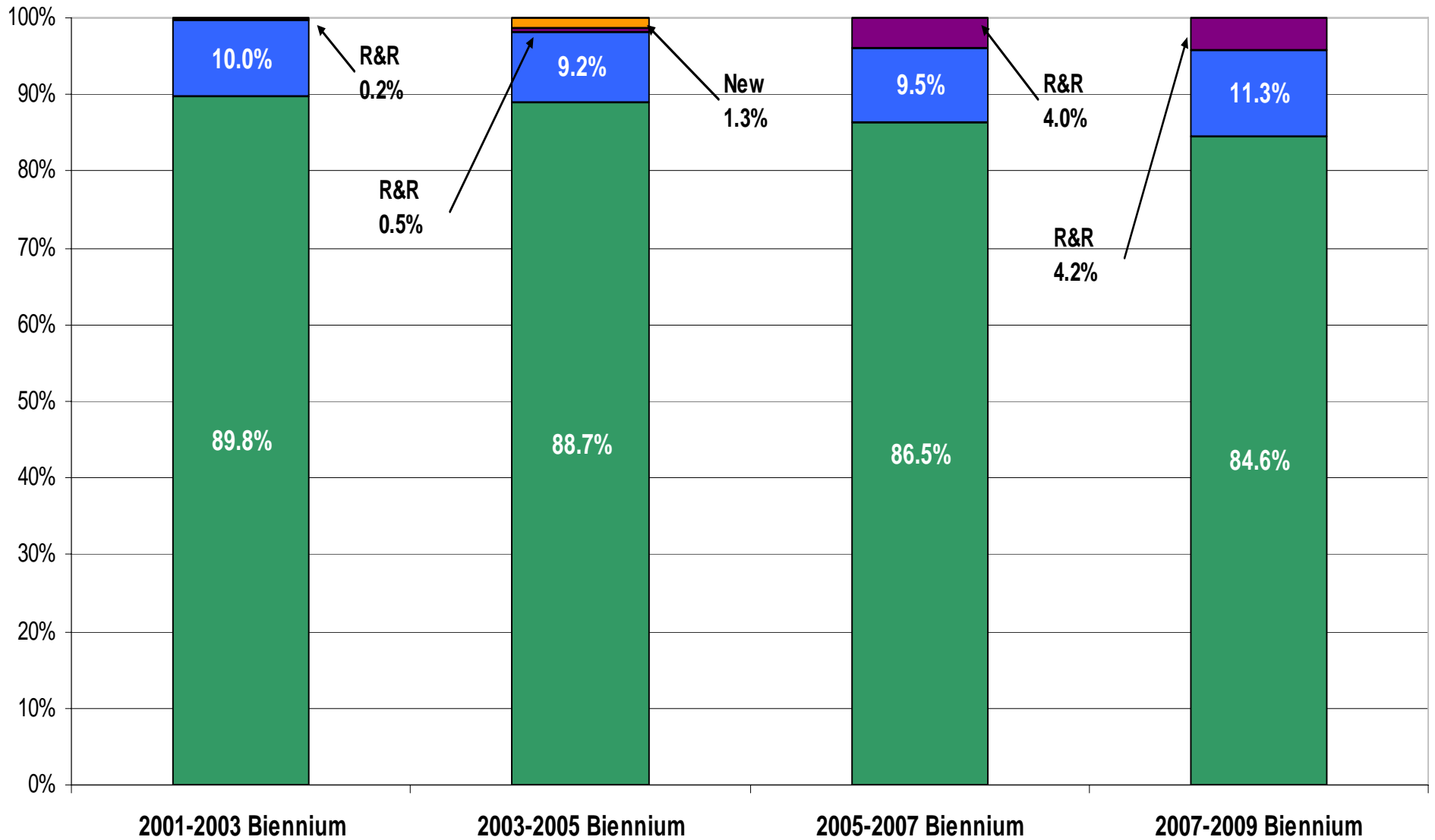
Note:  
Excludes payment delays, GF subsidies or spending shifts to other funds.



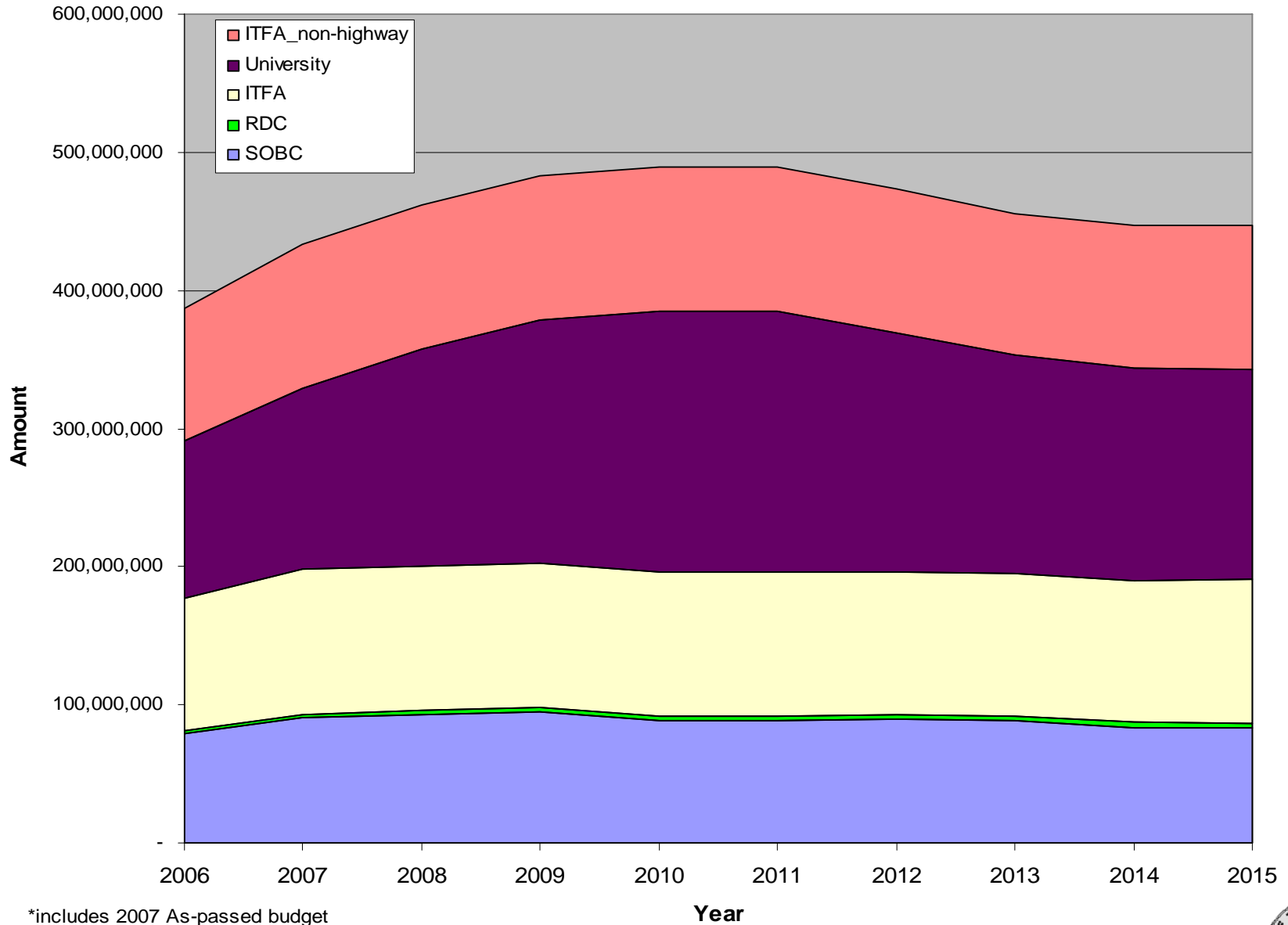
**State of Indiana - Recommended Expenditures  
General Fund and Property Tax Replacement Fund  
2007-2009 Biennium  
\$26,425,086,177\***



# University Funding



# GF Expenditures for Debt Service\*



\*includes 2007 As-passed budget



# University Debt Service:

## University Share of Total Appropriation

|      | <b>FY06</b>     | <b>FY07</b>     | <b>FY08</b>     | <b>FY09</b>     | <b>FY10</b>     |
|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| IU   | 55.2            | 64.1            | 69.9            | 73.5            | 75.4            |
| PU   | 22.9            | 26.1            | 29.7            | 33.1            | 36.0            |
| BSU  | 7.8             | 10.8            | 12.4            | 14.1            | 15.3            |
| ISU  | 6.7             | 7.3             | 9.5             | 10.2            | 9.9             |
| USI  | 5.9             | 5.9             | 9.5             | 11.0            | 12.2            |
| VU   | 3.2             | 3.9             | 5.4             | 6.7             | 6.3             |
| ITCC | 11.8            | 13.1            | 20.7            | 28.0            | 34.3            |
|      | <b>\$ 113.4</b> | <b>\$ 131.1</b> | <b>\$ 157.0</b> | <b>\$ 176.6</b> | <b>\$ 189.4</b> |

\*in millions





# University Debt Service:

## Ratio of Debt Service to Operating & Debt Service

|                 | <b>FY06</b> | <b>FY07</b>  | <b>FY08</b>  | <b>FY09</b>  | <b>FY10</b>  |
|-----------------|-------------|--------------|--------------|--------------|--------------|
| IU              | 10.7%       | 12.3%        | 12.9%        | 13.0%        | 12.7%        |
| PU              | 6.9%        | 7.7%         | 8.4%         | 9.1%         | 9.4%         |
| BSU             | 5.9%        | 8.1%         | 9.0%         | 9.7%         | 10.1%        |
| ISU             | 8.1%        | 9.0%         | 11.2%        | 11.7%        | 10.9%        |
| USI             | 14.7%       | 14.4%        | 20.1%        | 21.4%        | 22.3%        |
| VU              | 8.1%        | 9.6%         | 12.5%        | 14.7%        | 13.4%        |
| ITCC            | 7.8%        | 8.3%         | 11.9%        | 14.7%        | 16.7%        |
| <b>DS ratio</b> | <b>8.8%</b> | <b>10.0%</b> | <b>11.4%</b> | <b>12.1%</b> | <b>12.3%</b> |



# University Debt Service:

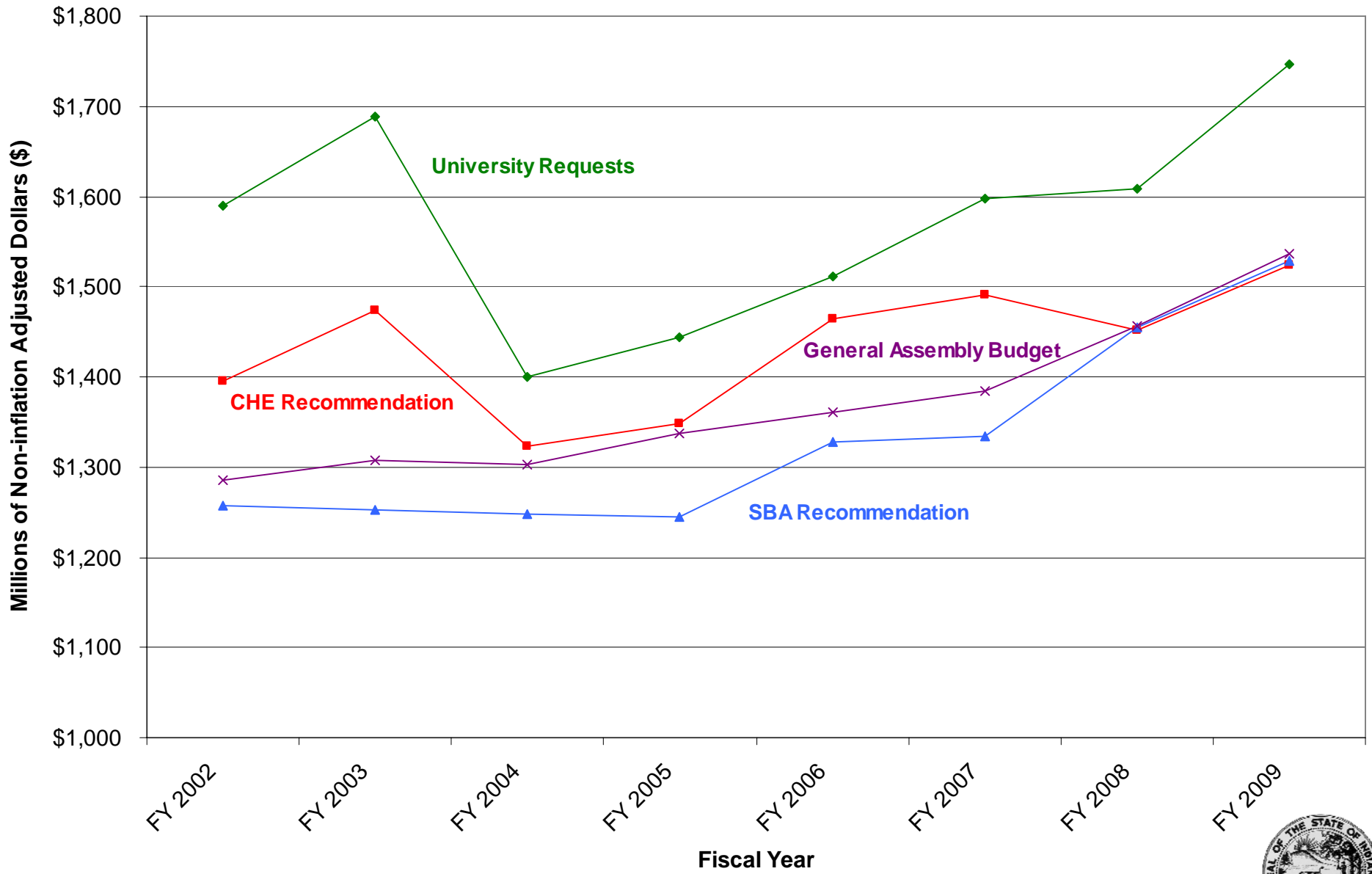
## Ratio of Debt Service to Operating & Debt Service

|                    | <b>FY06</b>    | <b>FY07</b>    | <b>FY08</b>    | <b>FY09</b>    | <b>FY10</b>    | <b>CAGR</b> |
|--------------------|----------------|----------------|----------------|----------------|----------------|-------------|
| Operating          | 1,179.2        | 1,185.3        | 1,225.6        | 1,281.0        | 1,345.0        | 3.3%        |
| Fee<br>Replacement | 113.4          | 131.1          | 157.0          | 176.6          | 189.4          | 13.7%       |
| <b>Total</b>       | <b>1,292.6</b> | <b>1,316.4</b> | <b>1,382.7</b> | <b>1,457.5</b> | <b>1,534.4</b> | <b>4.4%</b> |
| <b>DS ratio</b>    | <b>8.8%</b>    | <b>10.0%</b>   | <b>11.4%</b>   | <b>12.1%</b>   | <b>12.3%</b>   |             |

\*in millions



# University Budget Request and State Recommendation History



# University Appropriation Growth

|                         | <b>FY08</b> | <b>FY09</b> |
|-------------------------|-------------|-------------|
| Operating               | 3.4%        | 4.5%        |
| University Line Items   | 13.6%       | 10.8%       |
| Fee Replacement         | 19.7%       | 12.4%       |
| R&R                     | 21.2%       | 0.0%        |
| <b>University Total</b> | <b>5.6%</b> | <b>5.5%</b> |
| SSACI                   | 10.6%       | 3.1%        |



# Capital Projects

|                                  | <b>Total Cost</b> | <b>Annual Fee Replacement*</b> |
|----------------------------------|-------------------|--------------------------------|
| IUB Cyber Infrastructure         | \$ 18,300,000     | \$ 1,628,010                   |
| IUPUI Neurosciences              | \$ 20,000,000     | \$ 1,779,245                   |
| IUSB Arts Building               | \$ 27,000,000     | \$ 2,401,981                   |
| IUSE Med Center A&E              | \$ 1,000,000      | \$ 88,962                      |
| IUSB Cancer                      | \$ 10,000,000     | \$ -                           |
| IUB Athletic Facilities          | \$ 45,000,000     | \$ -                           |
| PUWL Boiler #6                   | \$ 53,000,000     | \$ 4,715,000                   |
| PUC Gyt A&E                      | \$ 2,400,000      | \$ 213,509                     |
| PUNC Student Svcs & Rec Cntr A&E | \$ 1,000,000      | \$ 88,962                      |
| IPFW Student Svcs & Library      | \$ 24,000,000     | \$ 2,135,094                   |
| IPFW Ft. Wayne NE Innovation Ctr | \$ 5,000,000      | \$ -                           |
| PUWL ADDL (BSL-3)                | \$ 30,000,000     | \$ -                           |
| PUWL Mechanical Engineering      | \$ 33,000,000     | \$ -                           |
| PUNC Parking Garage #1           | \$ 8,000,000      | \$ -                           |

\*6.25% over 20 years



# Capital Projects

|                           | <b>Total Cost</b> | <b>Annual Fee Replacement*</b> |
|---------------------------|-------------------|--------------------------------|
| BSU Central Campus        | \$ 33,000,000     | \$ 2,935,755                   |
| ISU Lab Renovations       | \$ 14,800,000     | \$ 1,316,642                   |
| USI College of Business   | \$ 29,900,000     | \$ 2,659,972                   |
| VU Jasper Adv Manf        | \$ 8,000,000      | \$ 711,698                     |
| VU Health and Sci Labs    | \$ 2,000,000      | \$ 177,925                     |
| VU Gibson County Adv Manf | \$ 5,000,000      | \$ -                           |
| VU Multicultural Center   | \$ 5,000,000      | \$ -                           |

\*6.25% over 20 years



# Capital Projects

|                               | <b>Total Cost</b> | <b>Annual Fee Replacement*</b> |
|-------------------------------|-------------------|--------------------------------|
| ITCCI Ft Wayne Tech Center    | \$ 26,700,000     | \$ 2,375,293                   |
| ITCC Logansport               | \$ 16,000,000     | \$ 1,423,396                   |
| ITCC Fall Creek               | \$ 69,370,000     | \$ 6,171,313                   |
| ITCC Lamkin Center            | \$ 1,000,000      | \$ 88,962                      |
| ITCC Sellersburg              | \$ 20,000,000     | \$ 1,779,245                   |
| ITCC Elkhart Phase I          | \$ 16,000,000     | \$ 1,423,396                   |
| ITCC Greencastle              | \$ 8,000,000      | \$ 711,698                     |
| ITCC Warsaw A&E               | \$ 1,000,000      | \$ 88,962                      |
| ITCC Muncie/Anderson A&E      | \$ 4,800,000      | \$ 427,019                     |
| ITCC Bloomington Phase II A&E | \$ 350,000        | \$ -                           |

\*6.25% over 20 years



# Capital Projects

|                                | <b>Total Cost</b>    | <b>Annual Fee Replacement</b><br>* |
|--------------------------------|----------------------|------------------------------------|
| <b>Grand Total</b>             | <b>\$538,620,000</b> | <b>\$ 35,342,040</b>               |
| Total Fee Replaced Bonding     | \$397,270,000        | \$ 35,342,040                      |
| Total Cash                     | \$ 20,350,000        | \$ -                               |
| Total non-Fee Replaced Bonding | \$121,000,000        | \$ -                               |

\*6.25% over 20 years





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