

**Indiana State
University**

More. From day one.

**2011-2013 Biennial
Budget Presentation**

State Budget Committee
November 18, 2010



Highlighted Achievements

- National Award for Exemplary K-12 Professional Development Schools, 2010
- President's Higher Education Community Service Honor Roll
- Named "A Best of the Midwest" institution for seven years in a row
- 2010 "Community of the Year"



2010 Fall Enrollment



- Largest class of freshmen in the University's history, up 33 percent from last year
- Fall enrollment is 11,494, up more than 9 percent from the 2009 enrollment of 10,534.
- Surpassed growth goals in all categories: Freshmen, graduate, transfer and returning students
- Honors students also at record level
- College Go! Week brought in 3,000 applications in five days

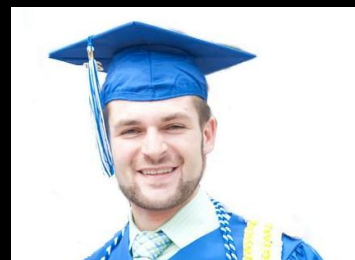
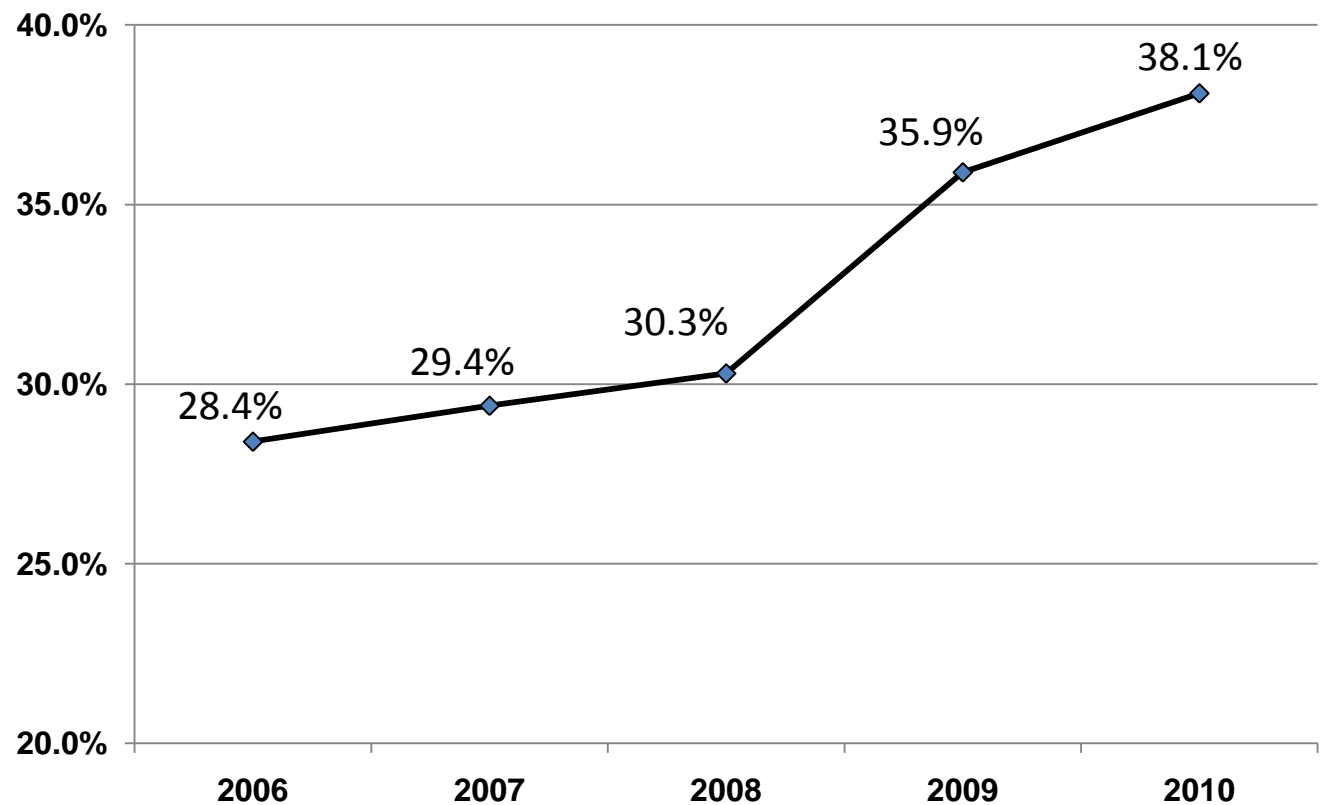
Student Profile



- Hoosiers accounted for the majority of the growth in undergraduate students (71% or 650 students)
- 57% of freshmen come from families where neither parent has a four-year degree
- 78% of ISU's undergraduate students apply for financial aid
- 38% of ISU's students receive Pell grants *(Most Pell awards are given to students with household incomes of less than \$30,000.)*

ISU Pell Grant Recipients

% ISU Students Receiving Pell Grants



Student Profile



- 916 of ISU's students are 21st Century Scholars
- Largest minority student population among Indiana's public residential campuses
- 14.7% percent of students are African-American (Fall 2010)
- 4.7% percent are international students

Student Success Initiatives

- Implementation of Sycamore Express one-stop student services program
- Expansion of summer bridge programs
- Early intervention program to identify and track issues impacting student success
- New criteria for admission of at-risk students in 2011, earlier cutoff for admission
- **For the State to be successful in meeting its goals related to degree attainment, higher education must serve high school students from the 2nd and 3rd quartiles and help them succeed in obtaining 4-year degrees.**

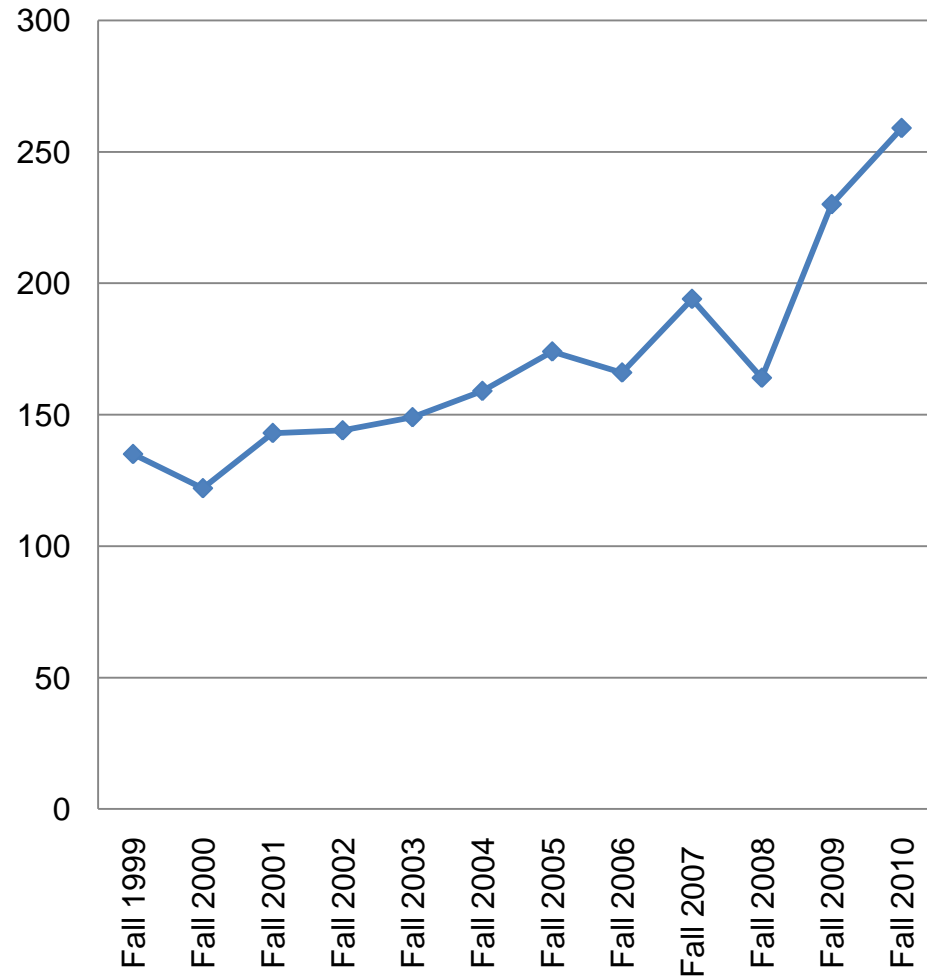
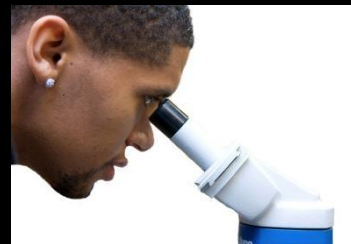


Ivy Tech/ISU Partnerships



- Transfer enrollments from Ivy Tech up 17.5% this fall
- DegreeLink program has provided Ivy Tech students access to four-year degrees from their home campuses since 1997
- Seamless transfers through dual admissions and bridgeback programs
- Transfer scholarship program developed to encourage four-year degree attainment

Ivy Tech Transfer Students



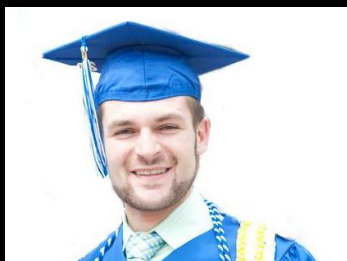
Driving Economic Development

Terre Haute Innovation Alliance

-- Partnership between ISU and:

- Rose-Hulman Institute of Technology
- Terre Haute Economic Development Corporation
- City of Terre Haute

- Newest client is Midwest Compliance Laboratories, a startup company created by former Pfizer employees.
- Another client, Specialty Rim Supply, is expecting to expand from 15 to 100 jobs in the next few years



Driving Economic Development

Rural Health Innovation Collaborative

-- Partnership between ISU and:

- IU School of Medicine – Terre Haute
- Union Hospital and its Richard G. Lugar Center for Rural Health
- Ivy Tech of the Wabash Valley
- Terre Haute Economic Development Corporation
- City of Terre Haute

RHIC partnership is designed to address:

- State's critical shortage of health care professionals
- Economic development through the attraction of health-care related companies
- Neighborhood blight



Responding to State Budget Issues

Indiana State's share of the cuts were \$10,478,474.
Measures taken to address these cuts included:

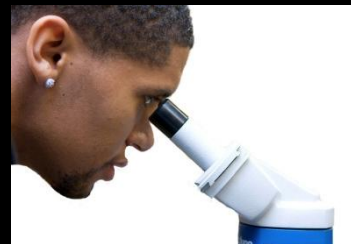
- Salaries were frozen.
- A total of 108 positions (78 hourly, 30 salaried) were involuntarily eliminated.
- Operation of student health center was outsourced.
- Administrative structure was flattened.
- Custodial and clerical services were reduced.
- Sabbatical leaves for 2010-2011 were eliminated.
- 151 employees signed up for a transitional retirement incentive plan implemented to help address cuts.



Responding to State Budget Issues

Other cost-cutting measures:

- A switch in plan administrator for the University's health benefits program saved an estimated \$560,000 annually.
- Indiana State was in the first group of organizations accepted into the federal Early Retiree Reinsurance Program. Will provide between \$300,000 and \$500,000 to help cover claims costs of eligible retirees.
- ISU has participated in the Indiana Aggregate Prescription Purchasing Program since its inception.
- Over the next few years, University has committed to increasing the percent paid by employees for health benefits.



Responding to State Budget Issues

Other cost-cutting measures:

- Natural gas hedge contracts has saved \$4.6 million in heating costs since FY04.
- Installation of a heat recovery system in Central Steam Plant reduced natural gas costs by more than \$800,000 over a three-year period.
- Replacement of departmental copiers with more energy-efficient models resulted in savings of \$280,000 over a five-year period.



Responding to State Budget Issues

Other cost-cutting measures:

- Outsourcing of University motor pool rentals resulted in \$100,000 in savings.
- Outsourced administration of Workmen's Compensation program saved an estimated \$65,000.
- Requiring employee travel reimbursements to be paid using ACH will save \$70,000 annually.
- Additional savings generated by renegotiation of telecommunication contracts, elimination of contract postal unit and utilization of e-books in some library acquisitions.



Responding to State Budget Issues

Long-term cost-cutting measures:

- Undergoing a comprehensive energy audit to find utility savings through co-generation, lighting and HVAC upgrades, etc.
- Evaluating employee health wellness initiatives to moderate health insurance costs increases.
- Searching of additional outsourcing opportunities.
- Evaluating ways to do business that are less labor-intensive and more cost effective.



Increasing Other Revenue Streams

- Fiscal year 2009-2010 was the second largest fundraising year in the history of the University
- ISU's first comprehensive fundraising campaign, March On! The Campaign for Indiana State University, launched its public phase last October.
- 70% of \$85 million goal achieved to date
- Campaign scheduled to conclude by December 2011



MARCH ON!
INDIANA STATE UNIVERSITY



Increasing other revenue streams



- Strategic plan calls for tuition increases to be limited.
- Continued emphasis on growing enrollment to contribute to revenue growth.
- Indiana State received \$13,771,723 in grants and contracts during 2009-2010, an increase of more than \$5 million over the previous year. The number of proposals funded grew from 100 to 143.
- Strategic goal for grants and contracts is to increase gross revenue by 50 percent by 2014.

Embracing Accountability

- Indiana State's strategic plan established benchmark indicators for each goal area.
- Progress each year is reviewed by an audit committee.
- Results are shared with the campus and community at an annual stakeholders conference.
- ISU was an early adopter of the Voluntary System of Accountability.
- One of 71 institutions which launched the Presidents' Alliance for Excellence in Student Learning and Accountability.



2011-2013 Budget Request

- No inflationary increases for maintenance of programs requested.
- Conservative budget model with revenue growth coming from:
 - Enrollment increases
 - Limited tuition increases
 - Increased grants and contracts
 - Increased fundraising
- Reallocation will fund strategic needs:
 - Program growth in high-demand areas such as health-care fields
 - Student Success initiatives



2011-2013 Budget Request

Capital issues:

- Strong need for R&R funding to maintain physical plant worth more than \$1 billion.
- Capital priority is \$14 million in bonding authority to renovate Normal Hall to create a Center for Student Success.
- Second priority is for release of \$5.4 million in remaining funding approved by the 2007 General Assembly for science lab renovations.
- Third priority is \$40 million in bonding authority for phased renovation and expansion of the College of Nursing, Health and Human Services facility to meet the needs of expanding health care programs.



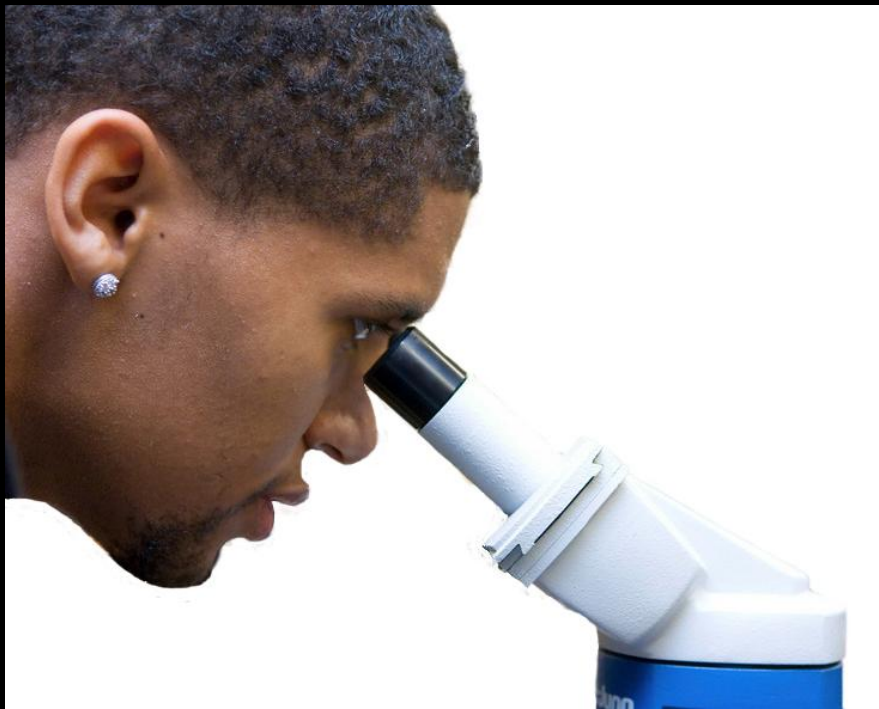
Closing Comments

Indiana State has an important responsibility in helping the state meet its educational goals.

We are attempting to meet to that responsibility by:

- Providing access to quality education
- Maintaining affordability
- Enhancing student success
- Addressing college preparedness
- Contributing to Indiana's economy





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