Ball State University

State Budget Committee Presentation

November 17, 2010
Ball State University

Differentiation

Alignment

Results

Efficiencies
Differentiation

- “A place for everyone, but not every place for everyone”
- Ball State University: Increasingly selective institution, focused primarily on a high quality undergraduate experience for Hoosiers
  - Better prepared students
  - Innovative curriculum
  - 90% Hoosier students
  - Only university authorizer of Charter Schools
Better Prepared Students

Percentage of BSU Freshmen with Academic Honors Diploma or Equivalent

In 2010, only 33% of Indiana high school graduates received the Academic Honors Diploma
Better Prepared Students

Average Freshmen SAT Scores

Over a 50 point increase

1,539
1,560
1,580
1,600

2006-07 2007-08 2008-09 2009-10 2010-11
Innovative Curriculum

Immersive Learning – the cornerstone of our plan

- Carries academic credit
- Engages participants in an active learning process that is student-driven but guided by a faculty mentor
- Produces a tangible outcome or product – business plan, policy recommendation, book, DVD, etc.
- Involves a team of students; usually interdisciplinary in nature
- Includes community partners and creates an impact on the community
- Focuses on student learning outcomes
- Helps students define a career path or make connections to a profession or industry

In the past 3 years: 8,187 students have worked on 514 immersive learning projects in 69 of Indiana’s 92 counties
Immersive Learning Projects

8,187 students

514 projects

69 Indiana counties
Project 18

- **Issue**
  - Statewide campaign to fight childhood obesity

- **Clients**
  - Peyton Manning Children’s Hospital
  - Marsh Supermarkets
  - Strategic Marketing and Research Incorporated

- **Results**
  - 18-week health and wellness curriculum in 249 schools in 60 counties
  - Marsh Down the Aisle in 90 grocery stores
  - Public-relations plan impacted 10,000 families

**Quality Graduates:** Students leave with a resume, not just a transcript
Sports Link

- **Issue**
  - Only university where undergraduates produce broadcast content for top 25 television markets

- **Client**
  - Fox College Sports

- **Results**
  - 30-minute sports magazine shows that focus on intercollegiate sports events

**Quality Graduates:** Students leave with a resume, not just a transcript
M2M - Military 2 Market

- **Issue**
  - Develop commercial applications for the intellectual property created at Crane.

- **Client**
  - Naval Surface Warfare Center, Crane Division

- **Results**
  - Identify potential business partners to make, use or sell the technology for economic development

Quality Graduates: Students leave with a resume, not just a transcript
Innovative Curriculum

- Offer an **Entrepreneurship Minor** to all students
- Grow the **Degree in Three** program
- Offer a **K-15** option
Alignment

- Ball State University:
  - *Education Redefined: Strategic Plan 2007-2012*

- The State of Indiana:
  - *Increase Educational Attainment*
  - *Promote Productivity and Efficiency*
  - *Strengthen the K-12 Education System*

**Results Driven:** Focus on **accountability** - BSU tracks over **100 metrics**
Results - Graduation Rate

4-Year Rate

Year Freshmen Cohort Entered (Fall Semester)

6-Year Rate

Over a 63% increase

Over a 22% increase

Ball State University
Education Redefined
Results - Freshman Retention

Better prepared students will result in higher graduation rates; retention is a leading indicator.
Results - Total Enrollment

Highest Enrollment on Record

Over a 10% increase

Fall Semester

2006-07 2007-08 2008-09 2009-10 2010-11

Headcount

20,030 22,083
Results - Off-Campus Enrollment

Ensuring access for changing demographics in student population
Results - Affordability

Scholarships Awarded

Dollars (in Millions)

Over a 175% increase

Ball State University
Education Redefined
Results – Ranked and Recognized Academic Programs

- 28 undergraduate and graduate programs that have achieved recent national rankings and/or awards, including:
  - Accounting
  - Architecture
  - Business Administration
  - Education
  - Educational Leadership
  - Elementary Education
  - Entrepreneurship
  - Finance
  - Information and communication science
  - Journalism
  - Landscape architecture
  - Music
  - Nursing
  - Professional selling
  - Risk management and insurance
  - Telecommunications
  - Theatre and dance
  - Urban planning
Results – University Recognition

- Ranked 20th among “up and coming” colleges and universities in 2010 by *U.S News & World Reports*
- *U.S News & World Reports* recognized first-year program for the 7th straight year
- *The Princeton Review* named Ball State one of the best universities in the Midwest the past six years as well as one of America’s best college values based on excellent academic programs, generous financial aid package and low costs
- College of Architecture and Planning has been named one of the top three schools in the country to excel in digital design and fabrication
- *U.S. News & World Reports* has ranked Ball State’s entrepreneurship program among the top 10 since 1999
- The Human Performance Lab’s researchers are working with NASA astronauts to study the effects of long space missions on muscle tissue
- Research awards exceeded $25.0M
Efficiencies

- High Productivity - a true measure of “value added”
- Low staffing ratios and controlled growth in administrative staff
- Health care cost containment
- Energy efficiency
Productivity is defined as the ratio of graduation rates to total funding.

The report says, “On this measure of productivity, Ball State is more productive than expected.”

What it doesn’t say and is maybe more important – Ball State is the most productive public university in Indiana.

Source: Report Commissioned by Indiana St. Chamber and ICHE (Figure 5)
Staffing Efficiency - Goldwater Report

- A report issued August 2010 by the Goldwater Institute ranked 196 universities based on the percentage change (from 1993 to 2007) in the number of administrators per 100 FTE students.

- Using their methodology and adding some Indiana schools:

<table>
<thead>
<tr>
<th>Rank*</th>
<th>School</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#28</td>
<td>BSU</td>
<td>10.1</td>
</tr>
<tr>
<td>#62</td>
<td>PU-WL</td>
<td>30.2</td>
</tr>
<tr>
<td>#120</td>
<td>IU-B</td>
<td>55.7</td>
</tr>
<tr>
<td>#123</td>
<td>ISU</td>
<td>60.4</td>
</tr>
<tr>
<td>#136</td>
<td>USI</td>
<td>67.1</td>
</tr>
<tr>
<td>#182</td>
<td>IUPUI</td>
<td>138.8</td>
</tr>
</tbody>
</table>

* A rank of 1 means the smallest increase
Staffing Efficiency - Chronicle Article

- April 2009 article in the *Chronicle of Higher Education* highlighted a report on labor force trends in higher education – using their methodology:

<table>
<thead>
<tr>
<th></th>
<th>Instructional</th>
<th>Professional</th>
<th>Service/Staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ball State University</td>
<td>5.77</td>
<td>3.76</td>
<td>7.45</td>
<td>16.98</td>
</tr>
<tr>
<td>Average Indiana 4-year Public</td>
<td>5.73</td>
<td>5.70</td>
<td>7.93</td>
<td>19.36</td>
</tr>
<tr>
<td>(main-campus and not-weighted)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Public University</td>
<td>8.50</td>
<td>7.50</td>
<td>7.00</td>
<td>23.00</td>
</tr>
</tbody>
</table>

Bottom line: Low overall staffing, extremely low administrative staffing and growth rates
Salaries and Wages

Cumulative Increases

- BSU’s salary increases are “in-line” with cumulative increases in the Bureau of Labor Statistics ECI (a measure of civilian wage growth).

- Can’t just look at percent increases; need to look at actual salaries:
  - BSU’s average weighted faculty salary is 24.1% less than the MAC and 47.8% less than our Indiana peers.
Health Care Cost Efficiency

Migrating Employees to Consumer Driven Health Care Plans:

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer Driven Plans</th>
<th>Low Deductible Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>2010</td>
<td>42.6%</td>
<td>57.4%</td>
</tr>
</tbody>
</table>

Average employer contribution for family plan (with dental):

- State of Indiana Plan: $13,757
- Ball State Plan: $11,333
Energy Cost Efficiency

- A 2009 Advisory Board Company report looked at energy cost per square foot at public and private institutions of higher education:
  - Average: $2.58
  - Best-in-Class: $1.49
  - Ball State: $1.85 (32% below average)

- Numerous energy efficiency measures are already in place – automatic temperature controls, lighting sensors, high efficiency lighting, computer energy savings, etc.

- Geothermal project and other initiatives will continue to improve on these numbers
Geothermal Update

- Nation’s largest geothermal heating and cooling system
  - Saves operating costs and reduces carbon footprint by one-half

- On schedule to shut-down two coal-fired boilers in the Fall of 2011 and a 3rd in 2012
  - $5 million DOE grant

- Visits or inquiries from 16 colleges and universities (including Ohio State, Notre Dame, Stanford, and Northwestern) and 17 other entities
Geothermal Recognition

How a **pioneering university** hopes to cut its carbon footprint in half. *Published May 29, 2009*

College blows off steam to help power campus.

Rather than replace coal-fired boilers, one university opts for an ambitious geothermal system. *Published July 26, 2009*

**Additional coverage:** The Chronicle of Higher Education, U.S. Department of Energy website, TV Tokyo, National Public Radio, Inside Higher Ed, Chicago Tribune, and other newspapers and TV stations
Indiana Firms Working on BSU’s Geothermal Project

- **Muncie**
  - 3D Company
  - City Fence Company
  - Delaware Glass & Mirror
  - Delta Electric
  - E&B Paving
  - Gale Tschuor Company
  - J&T Systems
  - JG Case Construction
  - Knapp Supply
  - Randall Miller & Associates
  - Rundell Ernstberger Associates
  - Sidney Electric
- **Anderson**
  - Perry Irrigation
- **Indianapolis**
  - BMW Constructors
  - Capital City Fence
  - Capitol Drilling
  - Corbitt & Sons Construction
  - Dalmation Fire, Inc.
  - Gaylor Electric
  - Greiner Brothers
  - HD Supply
  - Inline Painting
  - Johnson Controls, Inc.
- **Indianapolis (continued)**
  - Messer Construction
  - Midwest Balance
  - Miller Eads
  - Mundell & Associates
  - Patriot Engineering
  - Robert Haines
  - Total Balance, Inc.
- **Fort Wayne**
  - Brooks Construction Company
  - Hagerman, Inc.
  - Smith Erectors
  - Strahm Group (SSI)
- **Kokomo**
  - Huston Electric
  - Orman Drilling & Water Services
- **Bloomington**
  - Poynter Sheet Metal
- **Evansville**
  - PPMI
- **Carmel**
  - Performance Contracting, Inc.
- **Galveston**
  - Moss Well Drilling
- **Greenfield**
  - Irving Materials, Inc.
- **Lafayette**
  - Dilden Brothers Well Drilling
- **Pendleton**
  - Fredericks Contractors
- **Huntington**
  - Alliance
- **Daleville**
  - Sater Electric
- **Parker City**
  - Countryside Landscape
- **Rochester**
  - Nedra Insulation
- **Zionsville**
  - TPI Utility Construction
Key Take Aways

- Operating Submission
- Capital Submission
Operating Submission

- We recognize the “new normal,” but have seen limited growth in appropriations for many years
- Focus on Hoosiers and undergraduate education
- Allow **BSU to earn more** money
  - Scale current funding formulas to match state priorities
  - Recognize Productivity and Efficiency
  - Participate in more of the Higher Education funding formula
- Fully fund the **Entrepreneurial University** line item at $2.0M
At the average increase, BSU would have received an additional $60 million over 10 years.
Funding Based on Submissions

BSU is eligible for:
- Dual Credit SCCH: 17%
- Change in Degrees: 18%
- On-Time Degrees: 65%
- Low Income Degrees: 17%
- Other Adjustment: 17%

BSU is not eligible for:
- Research Incentive: 83%
- Successfully Completed Credit Hours (SCCH): 83%
Capital Submission

- Long tradition of renovating existing facilities and infrastructure
- Ball State’s **2009-10 debt service** as a percent of operating appropriations was **8.4%** (state average was **13.3%**)
- Renovation of the College of Architecture and Planning Building - $22M
  - Address enrollment space constraints
  - Update aging systems
- Utility Tunnel Extension/Replacement - $10M
  - Key infrastructure project that will make our utility systems more reliable and reduce long-term costs
History of R&R Funding at Ball State University
1983-85 to 2011-13 Biennia

- What the University received
- What the Formula Generate

Biennium
Ball State University
Education Redefined
Academic/Administrative Space

Square Feet Per FTE Student

Efficiency: BSU has **low debt ratio** (8.4% vs. 13.3% avg.), **less square footage** per FTE student (106 vs. 131 avg.)

Source: 2005 ICHE data
In Conclusion

When There are Limited Resources, Invest In The Institution That Can Give You The Most Value Added.
Questions

Relationship between Productivity and entering ACT scores.

Correlation = 0.21