

UNIVERSITY OF SOUTHERN INDIANA

SUMMARY OF 2005-2007 BIENNIAL BUDGET

The Indiana General Assembly passed a two-year, \$24.3 billion state budget Friday, April 29, 2005. The House of Representatives approved the new state spending plan in House Bill 1001 for 2005-2007 by a margin of 52-46 while the Senate voted in favor of the plan by a margin of 31-19. The budget spends \$12 billion a year, increasing by 2.6 percent in FY06 and 1.4 percent in FY07 and eliminates the state's \$600 million structural deficit.

The state's two-year budget funds enrollment growth at 60% and 90% of the Commission for Higher Education's recommendations, provides slight increases for personal services and supplies and expenses, and funds additional other adjustments for institutions with low operating appropriations per Hoosier FTE but then reduces operating appropriations for all campuses by 4.8% in FY06 and 9.2% in FY07. Total operating appropriations for universities will increase by \$3.2 million or .3% in FY06 and \$6 million or .5% in FY07.

The capital budget for higher education includes bonding authorization for 14 projects worth \$240 million and funds the repair and rehabilitation of facilities at 50% of the formula.

Included in the bill is a requirement for colleges and universities to hold public hearings and set tuition and fee rates for a two-year period. The bill also requires the Commission for Higher Education to establish a Core Transfer Library of 70 courses to facilitate credit transfer across all campuses.

Funding for the State Student Assistance Program will increase by \$9 million or 4.8% in FY06 and \$21.2 million or 10.7% in FY07. The cap for student financial aid received through the State Student Assistance Program remains at \$4,700 for students attending a public university and at \$9,100 for students attending a private college or university.

The following is a summary of the 2005-2007 Biennial Budget for the University of Southern Indiana.

2005-2007 Budget Highlights

Operating Appropriation

Enrollment Change Funding

Enrollment change funding is provided to address increases in enrollment for Indiana students.

Enrollment change funded at \$3,500 per Hoosier FTE at 60% in FY06 and 90% in FY07.

Maintenance of Current Programs	Includes 1% inflationary increase for personal services and supplies and expenses in FY06 and 1.5% increase in FY07.
Other Adjustment	Provides other special adjustments to campuses with low operating appropriations per Hoosier FTE student.
Across-the-Board Reduction	Reduces operating appropriations for all campuses after all expenditure adjustments are added to the FY05 base by 4.8% in FY06 and 9.2% in FY07.
Plant Expansion Funding	No funding was provided for Plant Expansion for the operation of the new David L. Rice Library.

Capital Appropriation

Facilities	Provides \$6.6 million in bonding authorization for A&E for the new School of Business/General Classroom Building; expansion of the Physical Plant; and completion of the lower level of the Education Center. Provides \$7.25 million in authorization only for Phase II expansion of the Recreation and Fitness Center.
Repair and Rehabilitation	Funds general R&R at 50% of the funding formula. USI's appropriation is approximately \$800,000 for the biennium.

Line Item Appropriations

Funding for Historic New Harmony will remain at the FY05 base of \$356,216 for each year of the biennium. Funding for Lincoln Amphitheatre will increase by about \$50,000 to \$270,000 for FY06, but the theatre will only receive \$1 in funding for FY07.

Summary

USI's operating appropriation (not including R&R funds, debt service appropriation, or line item appropriations) will increase from the FY05 base of \$33.7 million to \$34 in FY06 and \$35.2 in FY07.

Given the current fiscal situation in the State of Indiana, the University is grateful to the Indiana General Assembly, the Commission for Higher Education, and the Governor for their support during these difficult economic times.

UNIVERSITY OF SOUTHERN INDIANA

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<u>Operating Budget Appropriation</u>	<u>2005-2006</u> <u>Increase</u>	<u>2006-2007</u> <u>Increase</u>
<ul style="list-style-type: none"> • Base Adjustment - Enrollment Change Funded at \$3,500 per Hoosier FTE – 60% FY06 and 90% FY07 • 1% increase for Personal Services and Benefits in FY06 • 1% increase for Supplies and Expenses in FY06 • .5% increase in Personal Services and Benefits in FY07 • .5% increase in Supplies and Expenses in FY07 • Other Adjustment • Across-the-Board Reductions 	\$ 1,104,600 \$ 487,619 \$ 146,461 \$ 350,000 (\$ 1,695,579)	\$ 552,300 \$ 738,743 \$ 221,888 \$ 1,326,280 (\$ 1,715,474)
Total	\$ 393,101	\$ 1,123,737
 <u>Operating Budget Appropriation for 2005-2007</u>		
<ul style="list-style-type: none"> • Operating Appropriation 	Total	\$34,089,286 \$35,213,023
 <u>Capital Budget Appropriation for 2005-2007 Biennium</u>		
 • Repair and Rehabilitation		
<ul style="list-style-type: none"> – Building R&R Formula – Utilities R&R Formula Building and Utilities R&R Formula is 50% of the funding formula	\$ 230,665 \$ 169,769	\$ 230,665 \$ 169,749
Total	\$ 400,414	\$ 400,414
 • Facilities		
<ul style="list-style-type: none"> – Bonding Authorization A&E for School of Business/General Classroom; Physical Plant Expansion; and Education Center Lower Level Completion – Bonding Authorization Only for Recreation and Fitness Center - Phase II 		\$ 6,600,000 \$ 7,250,000
 <u>Line Item Appropriations for 2005-2007 Biennium</u>		
<ul style="list-style-type: none"> • Historic New Harmony 0% increase on reduced FY05 base • Lincoln Amphitheatre 	\$ 356,216 \$ 270,000	\$ 356,216 \$ 1
Total	\$ 626,216	\$ 356,217

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2005-2007
OPERATING BUDGET REQUEST SUMMARY/COMPARISON**

	2005-2006						2006-2007					
	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget	Request	Commission for Higher Education Recommendation	State Budget Agency Recommendation	House Passed Budget	Senate Passed Budget	General Assembly Passed Budget
EXPENDITURES												
Expenditure Base	65,555,478	65,555,478	65,555,478	65,555,478	65,555,478	65,555,478	72,750,284	67,891,054	65,555,478	66,520,918	65,798,579	65,948,579
Base Adjustments												
A. Enrollment Change	2,061,500	1,841,000	0	460,000	1,104,600	1,104,600	0	0	0	0	552,300	552,300
B. Enrollment Change Residual Amount	403,230	129,030	0	0	0	0	0	0	0	0	0	0
C. Plant Expansion	332,779	258,915	0	0	0	0	1,038,270	776,743	0	0	0	0
D. Appropriation Adjustment	1,500,000	0	0	505,440	0	0	0	0	0	0	0	0
E. Balance of Base Restoration	485,632	0	0	0	0	0	0	0	0	0	0	0
F. Degree Completion Incentive	0	106,631	0	0	0	0	0	0	0	0	0	0
G. Across-the-Board Reduction	0	0	0	0	(1,695,579)	(1,695,579)	0	0	0	0	(1,715,474)	(1,715,474)
H. Other Adjustments	0	0	0	0	200,000	200,000	0	0	0	0	400,000	400,000
I. Additional Equity Adjustment	0	0	0	0	0	150,000	0	0	0	0	0	926,280
Subtotal Base Adjustments	4,783,141	2,335,576	0	965,440	(390,979)	(240,979)	1,038,270	776,743	0	0	(763,174)	163,106
Debt Service	14,137	14,137	14,137	14,137	(3,714)	(3,714)	(3,000)	(3,000)	(3,000)	(3,000)	45,900	45,900
Reallocation of Student Fees	(14,137)	(14,137)	(14,137)	(14,137)	3,714	3,714	3,000	3,000	3,000	3,000	(45,900)	(45,900)
Subtotal Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure Base	70,338,619	67,891,054	65,555,478	66,520,918	65,164,499	65,314,499	73,788,554	68,667,797	65,555,478	66,520,918	65,035,405	66,111,685
Percent Change	7.3%	3.6%	0.0%	1.5%	-0.6%	-0.4%	1.4%	1.1%	0.0%	0.0%	-1.2%	0.2%
Maintenance for Current Programs												
A. Personal Services 3% 0%* 1%** 1.5%***	1,462,857	0 *	0 *	0 *	487,619 **	487,619 **	1,506,744	0 *	0 *	0 *	738,743 ***	738,743 ***
B. Supplies & Expense 3% 0%* 1%** 1.5%***	439,383	0 *	0 *	0 *	146,461 **	146,461 **	452,564	0 *	0 *	0 *	221,888 ***	221,888 ***
C. Student Aid 3% 0%*	64,425	0 *	0 *	0 *	0 *	0 *	66,358	0 *	0 *	0 *	0 *	0 *
Subtotal Maintenance for Current Programs	1,966,665	0	0	0	634,080	634,080	2,025,666	0	0	0	960,631	960,631
Quality Improvement												
A. Center for Applied Rsrch/Economic Dev	275,000	0	0	0	0	0	250,000	0	0	0	0	0
B. Manufacturing Technology Program	0	0	0	0	0	0	125,000	0	0	0	0	0
C. Accelerated Nursing Program	170,000	0	0	0	0	0	0	0	0	0	0	0
Subtotal Quality Improvement	445,000	0	0	0	0	0	375,000	0	0	0	0	0
Total Budget Increases	7,194,806	2,335,576	0	965,440	243,101	393,101	3,438,936	776,743	0	0	197,457	1,123,737
Total Expenditure Request	72,750,284	67,891,054	65,555,478	66,520,918	65,798,579	65,948,579	76,189,220	68,667,797	65,555,478	66,520,918	65,996,036	67,072,316
Percent Change	10.98%	3.56%	0.00%	1.47%	0.37%	0.60%	4.73%	1.14%	0.00%	0.00%	0.30%	1.70%

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REVENUE												
Student Fee Base	25,999,878	25,999,878	25,999,878	25,999,878	25,999,878	25,999,878	27,078,397	25,985,741	25,985,741	25,985,741	26,003,592	26,003,592
Fee Increase 3% 0%*	1,092,656	0 *	0 *	0 *	0 *	0 *	1,125,435	0 *	0 *	0 *	0 *	0 *
Transfer to Debt Service	(14,137)	(14,137)	(14,137)	(14,137)	3,714	3,714	3,000	3,000	3,000	3,000	(45,900)	(45,900)
Total Student Fees	27,078,397	25,985,741	25,985,741	25,985,741	26,003,592	26,003,592	28,206,832	25,988,741	25,988,741	25,988,741	25,957,692	25,957,692
Operating Appropriation Base	33,696,185	33,696,185	33,696,185	33,696,185	33,696,185	33,696,185	39,798,335	36,031,761	33,696,185	34,661,625	33,939,286	34,089,286
Appropriation Increase	6,102,150	2,335,576	0	965,440	243,101	393,101	2,313,501	776,743	0	0	197,457	1,123,737
Total Operating Appropriation	39,798,335	36,031,761	33,696,185	34,661,625	33,939,286	34,089,286	42,111,836	36,808,504	33,696,185	34,661,625	34,136,743	35,213,023
Fee Replacement Appropriation Base	5,859,415	5,859,415	5,859,415	5,859,415	5,859,415	5,859,415	5,873,552	5,873,552	5,873,552	5,873,552	5,855,701	5,855,701
Fee Replacement Change	14,137	14,137	14,137	14,137	(3,714)	(3,714)	(3,000)	(3,000)	(3,000)	(3,000)	(3,600)	(3,600)
Education/Science Completion	0	0	0	0	0	0	0	0	0	0	49,500	49,500
Total Fee Replacement Appropriation	5,873,552	5,873,552	5,873,552	5,873,552	5,855,701	5,855,701	5,870,552	5,870,552	5,870,552	5,870,552	5,901,601	5,901,601
Total State Appropriation	45,671,887	41,905,313	39,569,737	40,535,177	39,794,987	39,944,987	47,982,388	42,679,056	39,566,737	40,532,177	40,038,344	41,114,624
Percent Change	15.46%	5.94%	0.04%	2.48%	0.61%	0.98%	5.06%	1.85%	-0.01%	-0.01%	0.49%	2.80%
Total Revenue Request	72,750,284	67,891,054	65,555,478	66,520,918	65,798,579	65,948,579	76,189,220	68,667,797	65,555,478	66,520,918	65,996,036	67,072,316