

EXECUTIVE SUMMARY

The 2009-2011 Operating Budget Request for the University of Southern Indiana responds to the primary concerns of the state and of the region. The University seeks support from the state to fund growth in enrollment, current programs and services, degree completion and on-time degree completion, and quality improvement initiatives to respond to regional workforce and educational needs. To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2009-2011 Operating Budget Request.

The University's 2009-2011 Operating Budget Request addresses many of the strategic goals outlined in *Indiana's Framework for Policy and Planning Development in Higher Education and Reaching Higher: Strategic Directions in Indiana*. The University's funding request centers around the strategic directions endorsed by the Indiana Commission for Higher Education and supports several areas addressed in the *Reaching Higher* documents:

Access;
Affordability;
College Preparation;
Accountability;
Student Success; and
Contribution to Indiana's Economy.

UNIVERSITY OF SOUTHERN INDIANA RESPONDS TO REGIONAL NEEDS

Throughout its history, the University of Southern Indiana has been committed to meeting the needs of the State of Indiana and the southwestern Indiana region. It has remained carefully focused on expanding access to high-quality postsecondary education while meeting workforce needs and positively affecting economic development. The impact of USI's focus can be seen most dramatically in the rise in regional college-going attendance, from 33 percent of public high school graduates in 1985 when USI was established as a separate state institution, to 84 percent in 2007. These gains outpace both state and national averages and speak to the strong partnership USI has established with P-12 educational programs, other higher education institutions, and business and industry.

As the trustees have sought fully to develop the University and opportunities for education, they have implemented policies which have created important changes in the curriculum, composition of the student body, and physical facilities needed to meet the mission of the University of Southern Indiana. As a result, USI stands as a model for student-centered postsecondary education, delivering high quality teaching at the most affordable cost among baccalaureate institutions in the state, providing community engagement to assist with economic and workforce development, and performing applied research needed in the region.

PRESIDENT’S TASK FORCE ON WORKFORCE AND ECONOMIC DEVELOPMENT

In 2007, the President’s Task Force on Workforce and Economic Development was commissioned to “*examine the University’s leadership and responsiveness in regional economic development and to recommend academic and training programs that will meet the future workforce and economic development needs of the region.*” The charge also included a study of existing and newly emerging economic and social trends in the regional economy to identify gaps between the existing program offerings and the changing needs of area employers.

Results of the study pointed to relevant trends including the increasing need for college-educated employees, greater need for access to postsecondary education programs via alternative delivery methods, and a need for USI to assume a broader role in developing an entrepreneurial culture in southern Indiana.

As with the first Task Force in 2000, findings of the 2007 Task Force are being used to plan programs and services to match expressed regional needs. USI made considerable progress in implementing recommendations from the 2000 report, adding 12 of the 13 academic programs identified, with steady development of co-op and internship opportunities, increasing noncredit and workforce training offerings, developing a regional leadership program, and offering alternate delivery of programs through distance education.

The 2007 study affirmed that USI’s planned new programs through 2011 closely parallel the programs regional employers say they need. Such programs include undergraduate degrees in physical therapy; health informatics; business economics; a blended business/engineering degree; advanced manufacturing; environmental sciences; and graduate programs in communications, food and nutrition (dietetics), advanced clinical nursing, and medical records/health informatics. The fact that an overwhelming percentage of USI graduates remain in the region for employment bodes well for meeting the needs of employers.

The University of Southern Indiana has positioned itself to respond with appropriate and needed educational programs and services to further growth and progress. The University remains committed to educating students for the regional workforce and works in partnership with employers and regional leaders to facilitate economic development. The University will continue to be a strong partner to education, business, government, manufacturing, and health care, responding to needs of all sectors of the community.

ACCESS TO HIGHER EDUCATION

The University of Southern Indiana was founded to bring higher education to an underserved population and remains true to that mission. Students who choose the University of Southern Indiana find high quality academic programs, affordable costs, an environment that promotes academic success, and opportunities for personal and career growth.

Over the past decade enrollment increased by 20 percent from 8,300 in fall 1997 to 9,939 in fall 2007. The most dramatic change in enrollment is the number of full-time students. Over the past decade full-time student enrollment increased by 34 percent from 5,743 in fall 1997 to 7,686 in fall 2007. With over 53.4 percent of the fall 2007 entering freshman class coming from its primary service area, the University is clearly committed to serving students in the region. In fall 2007, 61.8 percent of USI's students came from the 11-county regional service area and 26.7 percent came from other Indiana counties. USI provides wide access to students throughout the state, enrolling students from 91 of Indiana's counties in fall 2007.

Important to the state and to the region is the number of students who graduate from the University of Southern Indiana and choose to stay in Indiana. Of the University's more than 24,000 alumni, 74 percent live in Indiana and, of that number, 85 percent reside in southwest Indiana. The University of Southern Indiana is committed to improving the postsecondary attainment level of the citizens of the southern Indiana region and throughout the state.

AFFORDABILITY

USI remains the most affordable of the four-year institutions in the State of Indiana. As stated in the Indiana Commission for Higher Education's *2008 Reaching Higher with Affordability* document, students are paying a greater share of the cost of higher education. Increased costs are a direct result of decreasing state appropriations, increased cost of personnel and benefits, compliance with federal, state, and local regulations, increased operational costs,

the demand and need for up-to-date technology, and student and family expectations for increased services and amenities.

Maintaining affordability for postsecondary education is a primary goal of the University of Southern Indiana. According to the College Board's *Annual Survey of Colleges (ASC)*, the national average for undergraduate tuition and fees charged by public four-year colleges and universities in 2007-2008 was \$6,185. At USI, tuition and fees for full-time, in-state undergraduate students were \$4,791 in 2007-2008 while the average charge for four-year public institutions in Indiana was \$6,575. In-state undergraduate students attending USI full-time in 2008-2009 will pay \$5,079, compared to the \$6,854 average for other Indiana public baccalaureate institutions. Believing that cost can be a hindrance to access, the USI trustees and administration are firmly committed to keeping costs low while meeting the needs of students as well as the state's mission for improved economic vitality through institutional service and applied research. To maintain affordability is a shared responsibility that includes students and their families, state and federal policymakers, and institutions of higher education. State appropriations remain an important part of the University's ability to maintain affordability.

In past budget request documents, the University of Southern Indiana has drawn attention to the large disparity in state funding per-FTE-Hoosier student received by each of the public baccalaureate-degree-granting institutions. The state recognized this funding discrepancy by appropriating special equity adjustments to USI and other growing institutions in 1993-1995, 1997-1999, 2005-2007, and 2007-2009. The University appreciates the recognition of differentials in funding and the additional support received from the legislature. Even with the special appropriations, USI receives 58.7 percent of the weighted statewide average per-FTE-Hoosier student as compared to the other four-year residential institutions. The existence of large disparate differences creates a disadvantaged group of students and explains why it is difficult for the University of Southern Indiana to implement new programs, expand existing programs, or provide needed services for students. The enrollment formula has been fully funded only twice in the past decade. Because of growth in enrollment and because the enrollment funding formula has not been fully funded, USI continues to lose ground. Included in the University's 2009-2011 Operating Budget Request is a request for a special appropriation adjustment in each year of the biennium to address the discrepancy in funding per-FTE-Hoosier student.

COLLEGE PREPARATION

The Indiana Commission for Higher Education's *2008 Reaching Higher with College Preparation* document states "*far too few Indiana students are leaving high school prepared to succeed in college.*" It goes on to state, "*research indicates that the best predictor of success in college is the academic preparation received in high school.*"

Indiana's Core 40 requirements for high school graduates are intended as a statewide effort to strengthen student preparation for college. USI accepts unconditionally any student who has met the Core 40 requirements and has a high school grade point average of at least 2.0. Among USI's 2,136 first-time, full-time freshmen in fall 2007, nearly 48 percent completed the Core 40 diploma and 31 percent completed the Academic Honors diploma. One in four of the new full-time freshmen were in the top 25 percent of their high school classes.

Even though many new students successfully complete a Core 40 or Academic Honors diploma, they often still need developmental coursework. Among fall 2007 entering freshmen who completed the Core 40 diploma, 72 percent still needed at least one developmental course. Of the students with Academic Honors diplomas, 28 percent needed some form of developmental coursework, usually mathematics. For college freshmen, developmental coursework in mathematics is most frequently required of high school graduates. The University of Southern Indiana continues to advocate that Core 40 requirements include mathematics in the senior year of high school. A goal of the University is to increase interaction with K-12 education to improve educational quality in the region.

USI's newly-formed *Center for Education Services and Partnerships* is charged with coordinating a wide variety of educational services and promoting partnerships between the University and P-12 organizations in the region. The focus is to pull together University resources to support greater involvement in P-12 education; the goals are improved teaching and learning throughout the region, expanded professional development opportunities for teachers, and increased learning opportunities for pre-college students.

USI's concurrent enrollment program, the College Achievement Program (CAP) has been in existence since 1985. CAP is a rapidly growing, accredited concurrent credit program involving partnerships with 18 school high schools and enrolling more than 700 students. The Program has evolved in a deliberate manner to insure sound partnerships with participating high schools and quality control of instruction and curricula at the department level. USI's CAP program received accreditation from the *National Alliance of Concurrent Enrollment*

Partnerships (NACEP) in 2006. This recognition indicates the high quality of the CAP program delivered by the University. USI is one of only four institutions in Indiana to have attained this accreditation.

USI recently benchmarked early college high schools (ECHS) in Ohio, Indiana, Kentucky, and Utah to explore expansion of dual credit options through the ECHS approach. The University is discussing a partnership with the Evansville Vanderburgh School Corporation to establish a STEM-education (science, technology, and math) related ECHS as early as fall 2009. The University is participating in on-going discussions with the Center of Excellence in Leadership of Learning (CELL), other postsecondary institutions, Indiana Commission for Higher Education staff, and school corporations to help address statewide issues related to dual credit, advanced placement, and early college high schools.

The University's 2009-2011 Operating Budget Request includes Quality Improvement funding to establish the *STEM Teaching Improvement Institute*. The Institute will provide pre-service and in-service training and professional development opportunities to increase the number of qualified teachers in science, mathematics, and technology disciplines in K-12 schools. It also will qualify these teachers for dual credit, concurrent enrollment, and Early College High School programs, thus expanding opportunities for students to earn college credit while in high school. While most participants will be teachers in southwest Indiana, the improvement in the cadre of STEM teachers will have a ripple effect throughout the state.

ACCOUNTABILITY

Assessment and accountability are fundamental principles of operation at the University of Southern Indiana. Over time the University has layered a variety of assessment activities to measure the quality of education at the institution. The University uses periodic and systematic scans of the regional environment to assess new programs needed and satisfaction with the quality of education offered at the institution.

- **Measure of Academic Proficiency and Progress (MAPP)** is used to assess broad-based educational skills among students including critical thinking, reading, and mathematics skills. Scores are compared to previous years as well as a national average.

- **Major Field Tests (MFT)** are used to assess content knowledge within a range of academic majors. Scores are compared to performance by earlier classes of majors, and to the averages generated by hundreds of other participating universities.
- The MAPP and MFTs are administered on “Assessment Day” (second Tuesday in November), when classes are cancelled and all first year students and rising juniors take the MAPP, and seniors take the MFT for their academic major. Participation rates among students exceed 90 percent each year.
- A campus-based **Academic Program Review** process is required of all academic programs once every five years. The five-year cycle of program review ensures the University has a regular process of internal review and evaluation of its academic programs. This program level assessment was identified as a significant strength by the site visit team of the Higher Learning Commission during the University’s 2006 re-accreditation process.
- The University on a regular basis disseminates the results of assessment activities to members of the campus and regional communities, the Board of Trustees, the Indiana Commission for Higher Education, and other interested campuses which have requested more information about the University’s assessment processes.
- The **Voluntary System of Accountability (VSA)** was developed through task forces supported by the American Association of State Colleges and Universities (AASCU) and the National Association of State Universities and Land Grant Colleges (NASULGC). The VSA webpage template includes graphic data to describe the student and faculty populations on campus, and there is a “student success” graph that tracks four- and six-year graduation rates. USI strongly supports the intent of the VSA.

The University of Southern Indiana was established in response to community and regional need. USI calculates its institutional effectiveness through a variety of performance indicators designed to meet its internal expectations, as well as those of external constituencies. Appropriate data and feedback loops are available and used throughout the organization to support continuous improvement.

STUDENT SUCCESS

The University of Southern Indiana works closely with regional employers in designing and teaching courses to assure that highly skilled graduates meet their needs. The close relationship with area employers and employers' confidence in USI graduates are helping meet another goal of the state -- retaining college graduates in the state. Several factors contribute to USI's success in graduate retention. The University has a strong internship and cooperative education program that places students in employer settings, allowing the students to gain experience and the employer to assess the students' skills and work ethic. Many of these experiences lead to full-time employment after graduation.

A record number of students graduated in 2008, exceeding 1,700 for the first time in USI's history. Since the establishment of the University of Southern Indiana in 1985, the college attendance rate of high school graduates in the 11 counties of southwestern Indiana has more than doubled from 1,645 to 3,799 in 2007

In the *2008 Reaching Higher with College Completion* working paper, the Indiana Commission for Higher Education charged institutions “*to dramatically improve the number and timeliness of college graduates...particularly in graduating at-risk and underrepresented students in higher education.*” To meet this goal, “*institutions should be encouraged to be creative and experiment with piloting and implementing a variety of innovative and promising programs, practices, and processes designed to enhance and ensure a culture of college completion on campus.*”

The University's 2009-2011 Operating Budget Request includes Quality Improvement funding to establish *ADAPT - Affordable Degree Attainment through Professional Training*. The mission of *ADAPT* is to wrap intensive academic and career-preparatory services around those students most at-risk of failing to complete their degrees, either due to lower socio-economic status, lack of adequate academic preparation, or simply because their personal financial situation requires them to work too many hours to make adequate yearly progress toward their degree.

The specific objectives of the *ADAPT* program are to:

- improve the quality and quantity of on-campus work experiences;
- provide professional training for student workers;
- provide personalized academic coaching for at-risk students;

- successfully retain a larger share of working students;
- prepare a more desirable, professional workforce in the region;
- recruit and retain a larger number of 21st Century Scholars; and
- increase degree completion rates for working students.

The development of *ADAPT* will allow USI to play a leadership role in workforce development, as well as dramatically increase the success rates of this population of students.

CONTRIBUTION TO INDIANA’S ECONOMY

In the *2008 Strategic Directions for Higher Education* series, contributing to Indiana’s economy was named as a key goal for public colleges and universities by the Indiana Commission for Higher Education. USI is a proven contributor to Indiana’s economy and embraces this goal, as demonstrated by the institution’s focus on:

- Increasing access to higher education for traditional and nontraditional students;
- Developing and expanding educational programs and services to address concerns about workforce preparation, including increased emphasis on improving teaching and learning options in science, mathematics, and technical (STEM) skills areas;
- Expanding opportunities for faculty with specialized content expertise to support applied research and problem-solving initiatives critical to development needs in the region;
- Implementing academic and outreach programs focusing on innovation, entrepreneurship, applied research, and improved competitiveness; and
- Retaining Hoosier students.

Accelerating Growth, Indiana’s strategic economic development plan, states that “Indiana must strive to create an economic environment that fosters innovation and knowledge creation, while fully leveraging existing resources.” It cites three imperatives critical to revamping the state’s economy for the 21st Century: innovation, talent, and investment. Among key factors named as vital to success are:

- Developing a skilled workforce with constantly improving educational aspirations and attainment;
- Instilling a culture of innovation and entrepreneurship;
- Leveraging key growth opportunities based on existing assets;

- Developing strategic leadership; and
- Promoting and investing in quality of life, community amenities, and civic tolerance.

A major theme of *Accelerating Growth* is that the state's economic revitalization depends heavily on the successful implementation of regional growth strategies.

As a public comprehensive institution, the University of Southern Indiana continues to assist with the economic development strategies of the state and the southwest Indiana region. The University's consistent record of program development and service expansion in response to, or in anticipation of, needs of the changing economy is clear.

The University of Southern Indiana is regarded as a vital partner in workforce and economic development in southern Indiana. USI plays a central role in providing the postsecondary workforce for the region. The University offers a variety of support activities for area business development, including student internships and co-ops, faculty research and consulting, applied research and technical assistance, contract training, and strong academic programs.

State and local officials often cite the important role that accessibility to higher education has played in attracting new industry to the southwestern Indiana region. The programs and services of the University are valuable resources as the state strives to diversify its economy and ensure that the skills of the workforce continue to improve.

The University of Southern Indiana requests support of its 2009-2011 Operating and Capital Budget Requests to carry out its mission of providing high quality education services to help achieve the goals of the state and region.

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET 2009-2011
REQUEST SUMMARY**

<u>EXPENDITURES</u>	<u>2009-10</u>	<u>2009-11</u>
Expenditure Base	80,832,843	85,420,178
Base Adjustments		
A. Enrollment Change	542,500	0
B. Degree Completion	486,000	0
C. On-Time Degree Completion	358,835	
D. Appropriation Adjustment	2,000,000	1,000,000
Subtotal Before Debt Service	3,387,335	1,000,000
E. Debt Service	923,616	(360,950)
Reallocation of Student Fees	(923,616)	360,950
Subtotal Debt Service	0	0
Total Expenditure Base	84,220,178	86,420,178
Maintenance for Current Programs		
A. Personal Services 0%	0	0
B. Supplies & Expense 0%	0	0
C. Student Aid 0%	0	0
Subtotal Maintenance for Current Programs	0	0
Quality Improvement		
A. STEM Teaching Improvement Institute	700,000	700,000
B. ADAPT - Affordable Degree Attainment	500,000	500,000
Subtotal Quality Improvement	1,200,000	1,200,000
Total Budget Increases	4,587,335	2,200,000
Total Expenditure Request	85,420,178	87,620,178
 <u>REVENUE</u>		
Student Fee Base	29,448,561	28,524,945
Fee Increase 0%	0	0
Transfer to Debt Service	(923,616)	360,950
Total Student Fees	28,524,945	28,885,895
Operating Appropriation Base	40,387,429	44,974,764
Appropriation Increase	4,587,335	2,200,000
Total Operating Appropriation	44,974,764	47,174,764
Fee Replacement Appropriation Base	10,996,853	11,920,469
Fee Replacement Change	923,616	(360,950)
Total Fee Replacement Appropriation	11,920,469	11,559,519
Total State Appropriation	56,895,233	58,734,283
Total Revenue Request	85,420,178	87,620,178

**UNIVERSITY OF SOUTHERN INDIANA
BIENNIAL BUDGET REQUEST 2009-2011
CONSOLIDATED PRIORITIZATION**

	2009-10	2010-11
<u>CONSOLIDATED EXPENDITURE BASE</u>		
Operating Expenditure Base	69,835,990	
Fee Replacement Appropriation	10,996,853	
TOTAL	80,832,843	
<u>PRIORITIZATION OF INCREASES</u>		
A. Basic Needs		
1. Maintenance for Current Programs	0	0
2. Enrollment Change	542,500	0
3. Degree Completion	486,000	0
4. On-Time Degree Completion	358,835	0
5. Appropriation Adjustment	2,000,000	1,000,000
Total Basic Needs	3,387,335	1,000,000
B. Quality Improvement Initiatives		
1. STEM Teaching Improvement Institute	700,000	700,000
2. ADAPT - Affordable Degree Attainment	500,000	500,000
Total Quality Improvement Initiatives	1,200,000	1,200,000
C. Line Item Appropriation Request		
1. Historic New Harmony	38,048	38,716
Total Line Item Appropriation Request	38,048	38,716
D. Capital Request		
1. Teaching Theatre - Replacement Project	15,000,000	
a. State Funding Bonding Authorization	8,000,000	
b. Non-State Funding Authorization	7,000,000	
2. General Repair & Rehabilitation and Infrastructure Funding	2,243,850	
Total Capital Request	17,243,850	