

UNIVERSITY OF SOUTHERN INDIANA

SUMMARY OF 2011-2013 BIENNIAL BUDGET

The Indiana General Assembly passed a two-year \$28 billion state budget on Friday, April 29, 2011. The House of Representatives approved the new state spending plan in House Bill 1001 for 2011-2013 by a margin of 59-39 while the Senate voted in favor of the plan by a margin of 37-13.

Total operating appropriations for universities decreased by \$74.6 million or 6.1% from FY11 levels. Of the reduction, 1% or \$13.7 million was a permanent base reduction and \$61 million was used to fund the Performance Funding Formulas (PFF) in FY12 and FY13. The state's two-year budget used seven funding formulas recommended by the Commission for Higher Education in the appropriations process. Below is the allocation of the funding for the formulas used in the biennial budget process:

• Successful Completion of Credit Hours*	\$12,490,817	20.5%
• Dual Credit Successful Completion*	\$ 1,562,400	2.6%
• Early College Successful Completion	\$ 508,725	.8%
• Change in Degree Completion*	\$30,536,800	50.0%
• On-Time Degree Change*	\$ 1,213,745	2.0%
• Low Income Degree Change*	\$ 2,443,652	4.0%
• Research Incentive Funding	\$12,313,004	20.2%

The University of Southern Indiana was eligible to receive funding through the formulas in five of the seven categories. Those formulas are noted with an asterisk.

University line items were reduced by 15%. However, several statewide initiatives for Indiana University, Purdue University, and Ball State University received additional funding.

No new capital projects were authorized by the 2011 Indiana General Assembly. A total of \$6.5 million in fee replacement was appropriated in FY13 for eight projects authorized in 2009. There was no funding for repair and rehabilitation of facilities.

Funding for the State Student Assistance Program (SSACI) will increase by \$25 million over the biennium to \$276 million in FY12 and \$280 million in FY13. Funding was increased for the Statutory Fee Remission Program for Children of Disabled Veterans, the Part-Time Student Grant Program, Freedom of Choice Awards, and the Higher Education Award Program. Included in the budget bill is a requirement for the State Budget Agency to calculate the annual projected growth in appropriated dollars for the 21st Century Scholars Program and other statutory fee remission programs related to veterans programs before October 1, 2011.

The following is a summary of the 2011-2013 Biennial Budget for the University of Southern Indiana.

2011-2013 BIENNIAL BUDGET HIGHLIGHTS
OPERATING APPROPRIATION

Reduction of Operating Base – 6.1%	\$2,376,842
<ul style="list-style-type: none">• 5% of FY11 base to fund Performance Funding Formulas• 1.07% of FY11 base to fund USI’s share of \$13.7 million in operating reductions from December 2009 due to \$150 million cut in higher education budgets – permanent reduction	
Successful Completion of Credit Hours	\$ 345,243
<ul style="list-style-type: none">• Funds increase in number of successfully completed credit hours	
Dual Credit Successful Completion	\$ 61,500
<ul style="list-style-type: none">• Funds increase in number of successfully completed dual credit hours	
Change in Degree Completion	\$2,580,000
<ul style="list-style-type: none">• Funds increase in number of degrees granted	
On-Time Degree Completion	\$ 98,852
<ul style="list-style-type: none">• Funds increase in number of degrees conferred in four years	
Low Income Degree Completion	\$ 228,375
<ul style="list-style-type: none">• Funds increase in number of low income degrees granted	
Total Performance Funding for the University of Southern Indiana	\$3,313,970
Appropriation Increase Net of Base Reductions	\$ 937,128

The University of Southern Indiana received 5.4% of the \$61 million allocated to fund the Performance Funding Formulas.

The University was not eligible to receive funding for Early College Successful Completion or Research Incentive Funding. The total funding for the Performance Funding Formulas was generated through the 5% reduction in each institution’s base. No new state dollars were allocated to higher education operating budgets in FY12 and FY13.

CAPITAL APPROPRIATION

Facilities

- No new facilities were authorized by the Indiana General Assembly in 2011-2013
- USI Teaching Theatre authorized in 2009 by the Indiana General Assembly received \$1,133,399 in fee replacement beginning in FY13

Repair and Rehabilitation

- No funds were appropriated in 2011-2013 for repair and rehabilitation

LINE ITEM APPROPRIATION

Historic New Harmony

- Operating base appropriation for Historic New Harmony was reduced by 15% from \$553,428 in FY11 to \$470,414 for FY12 and FY13.

SUMMARY

Operating and Capital Appropriations for 2011-2013

- University's operating appropriation will increase by approximately 2.4% from \$39,172,365 in FY11 to \$40,109,493 in FY12
- Operating appropriation will remain flat-lined in FY13 at \$40,109,493
- No funds were appropriated for repair and rehabilitation
- Fee replacement for the Teaching Theatre will begin in FY13

Budget Bill

- The budget bill included language that requires the Commission for Higher Education and the state educational institutions to study Indiana's performance funding mechanisms before the budget instructions are developed for the 2013-2015 biennial budget. The study is to review:
 - Performance funding models in other states
 - Detailed consideration of the funding measures and methodology and recommendations for use of different measures and weighting to better recognize the unique missions of the various types of campuses such as research; four-year comprehensive; two-year; and, community colleges
 - The review is to provide recommended revisions to the funding mechanisms used for 2011-2013
 - Study is to be completed by December 2, 2011, and submitted to the State Budget Committee for review and consideration