

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.