

UNIVERSITY OF SOUTHERN INDIANA

SUMMARY OF 2003-2005 BIENNIAL BUDGET

The Indiana General Assembly passed a two-year, \$22.7 billion state budget early Sunday, April 27. The House approved the new state spending plan for 2003-2005 by a margin of 61-37 while the Senate voted in favor of the plan by a margin of 34-16.

The state's two-year budget includes reduced funding for increases in enrollment, partial restoration of reductions in base funding in FY03, funding for new initiatives linked to economic development, and slight inflationary increases for personal services, supplies and expenses, and student financial aid. A new category was added to the budget to include funding for research initiatives. The capital budget for higher education includes bonding authorization for 20 new buildings worth \$280 million and funding for the repair and rehabilitation of facilities at 25% of the formula.

Student financial aid received through the State Student Assistance Program was capped 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 2003-2005 Biennial Budget for the University of Southern Indiana.

2003-2005 Budget Highlights

Operating Appropriation

Enrollment Change Funding

Enrollment change funding is provided to address increases in enrollment for Indiana students. Enrollment change funded at \$3,300 per Hoosier FTE at 50% in FY04 and 90% in FY05. USI will receive approximately \$1.8 million during the biennium for enrollment change.

Restoration of Base Budget

Budget restores approximately \$485,000 or 50% of the operating base that was reduced by the Governor in FY03 through the Deficit Budget Management Plan.

Plant Expansion Funding

Provides approximately \$794,000 in funding beginning in FY04 for the operation of the new Science and Education Center which will open in summer 2003.

Maintenance of Current Programs

Includes .5% inflationary increase for personal services, supplies and expenses, and student aid in FY05.

Economic Development Programs

Funds new initiatives which would have an impact on economic development in the state. USI will receive approximately \$850,000 over the two-year period to fund Engineering Equipment and Program Needs.

Capital Appropriation

Facilities

Provides \$29 million in bonding authorization for construction of a new library.

Provides \$9.75 million in authorization only for renovation and expansion of the University Center and \$3 million for construction of a parking garage.

Repair and Rehabilitation

Funding for general R&R is funded at 25% of the funding formula. USI's appropriation is approximately \$400,000 for the biennium.

Line Item Appropriations

Funding for the line item appropriations for Historic New Harmony and for Lincoln Amphitheatre did not receive any increase in funding. Both line item appropriations were held at the reduced FY03 base.

Summary

USI's operating appropriation (not including R&R funds, debt service appropriation, or line item appropriations) will increase from the FY03 reduced operating appropriation of \$30.5 million in FY03 to \$32.7 in FY04 and \$33.7 in FY05.

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.

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SUMMARY OF 2003-2005 BIENNIAL BUDGET

<u>Operating Budget Appropriation</u>	<u>2003-04</u> <u>Increase</u>	<u>2004-05</u> <u>Increase</u>
• Base Adjustment - Enrollment Change Funded at \$3,300 per Hoosier FTE – 50% FY04 and 90% FY05	\$ 645,150	\$ 516,120
• Plant Expansion	\$ 793,827	
• One-half Base Restoration	\$ 485,633	
• .5% increase for Personal Services and Benefits in FY05		\$ 214,048
• .5% increase for Supplies and Expenses in FY05		\$ 64,183
• .5% increase in Institutional Student Aid in FY05		\$ 10,150
• Economic Development – Engineering Equipment and Program Needs	\$ 250,000	\$ 350,000
Total	\$ 2,174,610	\$ 1,154,501

Operating Budget Appropriation for 2003-2005

• Operating Appropriation	Total	\$32,690,043	\$33,696,185
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Capital Budget Appropriation for 2003-2005 Biennium

• **Repair and Rehabilitation**

– Building R&R Formula		\$ 115,332	\$ 115,332
– Utilities R&R Formula		\$ 84,875	\$ 84,875
Building and Utilities R&R Formula is 25% of the funding formula			
Total		\$ 200,207	\$ 200,207

• **Facilities**

– Bonding Authorization for New Library		\$29,084,830	
– Bonding Authorization Only for University Center Renovation		\$ 9,750,000	
– Bonding Authorization Only for Parking Garage		\$ 3,000,000	

Line Item Appropriations for 2003-2005 Biennium

• Historic New Harmony		\$ 356,216	\$ 356,216
• Lincoln Amphitheatre		\$ 238,562	\$ 238,562
0% increase on reduced FY03 base in line item appropriations			
Total		\$ 594,778	\$ 594,778