



# Operating Budget Request

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## 2005-2007

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Submitted to the  
Commission for Higher Education  
and the State Budget Agency

August 1, 2004



# University of Southern Indiana

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# EXECUTIVE SUMMARY

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The 2005-2007 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 current programs and services, growth in enrollment, plant expansion for approved projects, and quality improvement initiatives to respond to regional workforce needs. To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2005-2007 Operating Budget Request.

Since its founding, 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 postsecondary education while meeting workforce needs and positively affecting economic development. The impact of the University's focus can be seen most dramatically in the rise in regional college-going attendance, from 33 percent of high school graduates in 1985 when USI was established as a separate state institution, to 78 percent in 2003. These gains outpace both state and national averages and speak to the strong partnership USI has established with K-12 schools, Ivy Tech State College, and business and industry.

The University of Southern Indiana stands as a model for student-centered postsecondary education. 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. In the past ten years, enrollment increased by 31 percent from 7,551 in fall 1993 to 9,899 in fall 2003. The most dramatic change in enrollment is the number of full-time students. Over the past decade full-time student enrollment increased by 73 percent from 4,285 in fall 1993 to 7,402 in fall 2003. Today, nearly 3,000 students, or 28 percent of the student body, live on campus in student housing.

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. Graduates of the institution have become the educated workforce driving the regional and state economy. Of the University's more than 20,000 alumni, 80 percent live in Indiana and 88 percent of that number reside in southwest Indiana, contrary to the statewide trend of outmigration of college graduates.

Affordability of higher education remains high on the list of statewide concerns in the State of Indiana. Believing that cost can be a hindrance to access, 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 average undergraduate tuition and fees charged by public four-year colleges and universities in 2003-2004 was \$4,694. At USI, tuition and fees for full-time, in-state undergraduate students were \$3,885 in 2003-2004 while the average charge for four-year public institutions in Indiana was \$5,550, as reported by the Indiana Commission for Higher Education. Students attending the University of Southern Indiana full-time in 2004-2005 will pay \$4,077, compared to the \$5,792 average for other Indiana public baccalaureate institutions. The University 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.

While the University of Southern Indiana is committed to maintaining affordability, the University recognizes that the responsibility for accomplishing this goal is shared with other stakeholders who include students, their families, and state and federal policymakers. Financial support is required from each of these constituencies in order to provide the programs, facilities, and support services necessary to fund the increasing enrollments and educational requirements necessary for a high quality educational experience.

Full funding of the enrollment formula is imperative to a growing campus. Enrollment funding has been essential to the institution's growth and remains the University's highest priority; it has been this approach to funding that has enabled the University to respond to workforce needs and to continue to serve an ever-increasing number of students. Because the enrollment funding formula has not been fully funded for the past three biennia, USI has lost more than \$1.8 million.

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 and 1997-1999. The difference in appropriation per-FTE-Hoosier student is significant. USI receives 58 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. Addressing this problem requires changes in state funding policies and a review of the differentials in funding. Included in the University's 2005-2007

Operating Budget Request is a request for a special appropriation adjustment to address the discrepancy in funding per-FTE-Hoosier student.

Throughout its history, USI has been actively engaged in addressing the state's interest in economic and workforce development. The University has accepted many invitations for partnership in community, regional, and state progress. State and local officials often cite the important role that accessibility to public higher education has played in attracting new industry to the region. There is a consistent record of development and expansion of programs and services in response to or anticipation of needs of the changing economy. The programs and services of the University are a valuable resource as the state strives to diversify its economy and ensure that the skills of the workforce continue to improve.

Recently, USI was named a key partner in the new Certified Technology Park in downtown Evansville. The Digital Downtown Project will be an important force in revitalizing downtown and a significant contributor to economic development in the region. Also, the new engineering program at the University of Southern Indiana is an example of how the University is meeting the needs of existing and new businesses. The engineering degree program expands the University's ability to help meet the need for engineering professionals in southern Indiana and throughout the region.

The University of Southern Indiana serves a number of diverse constituencies and is accountable and responsive to the various needs of its constituents. Its accountability can be appraised in the depth and breadth of service provided by faculty and staff, cooperative partnerships with business and industry, University participation and leadership on issues of economic and workforce development, aiding social service agencies, strengthening K-12 educational systems, and providing an array of programs in the arts and humanities.

Partnerships with businesses, industries, and other southwest Indiana employers are an important part of USI's contribution to Indiana's economic and workforce development initiatives. 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. A business leader recently was quoted in the news, saying "USI is a perfect example of a successful community-driven education institution."

The University of Southern Indiana requests support of its 2005-2007 Operating and Capital Budget Requests to carry out its mission of providing high quality education services which respond to the needs of the citizens of the state.

## **PRIORITIES OF 2005-2007 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS**

The 2005-2007 Operating Budget Request and Capital Improvement Budget Request for the University of Southern Indiana were developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, social, educational, governmental, and health agencies.

The University faces many challenges as it continues to operate with the lowest tuition and fees of all four-year public universities in the state and the lowest appropriation per-FTE-Hoosier student of the four-year residential campuses. The financial support the University receives from the state is very important to be able to provide the programs, facilities, and support services necessary to fund increasing enrollments and the educational requirements for a high quality educational experience.

The University of Southern Indiana seeks support from the State of Indiana for its 2005-2007 Operating and Capital Improvement Budget Requests to fund:

- ***Growth in enrollment;***
- ***Current programs and services;***
- ***Increased appropriation levels due to disparity in funding;***
- ***Quality improvement for the Center for Applied Research and Economic Development, the Bachelor of Science in Manufacturing Technology, and the Accelerated Baccalaureate Professional Nursing Education Program;***
- ***Plant expansion for approved projects; and***
- ***Construction of the new School of Business/General Purpose Classroom Building***

The state's desired future as a center for new economy opportunities - in life sciences, advanced manufacturing, information technology, and logistics - depends on partnerships between state government, the business community, and higher education, together with investments to promote those partnerships. Investment in the state's universities can help achieve the goals of lifelong learning and developing a well-trained, well-prepared workforce.

To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2005-2007 Operating and Capital Improvement Budget Requests.



## **INSTITUTIONAL REQUEST**

Full funding of the University's 2005-2007 Operating Budget Request is important to the ongoing growth and development of the campus. The University has prioritized the needs it believes are required to maintain current programs, sustain the current pattern of enrollment and support increases in enrollment, and address critical state and regional needs. Details of the operating budget request are included in the *2005-2007 Operating Budget Request* and the supporting narrative and budget schedules.

### **BASIC NEEDS**

	<b>2005-2006 <u>Request</u></b>	<b>2006-2007 <u>Change</u></b>
<b>Maintenance for Current Programs</b>	\$1,966,665	\$2,025,666
<b>Enrollment Change</b>	2,061,500	
<b>Enrollment Change Residual Amount</b>	403,230	
<b>Appropriation Adjustment</b>	1,500,000	
<b>Plant Expansion</b>	332,779	
<b>Balance of Base Restoration</b>	485,632	

- **Maintenance for Current Programs** - The University requests a three percent increase in the expenditure base each year of the biennium to maintain current programs for personal services, supplies, and student assistance expenses.
- **Enrollment Change** - Student enrollment at the University of Southern Indiana continues to increase. Funding for enrollment change is a major component of the University's operating budget request. Requested funding at \$3,500 per-FTE-Hoosier student based on the four-year rolling average is for an additional 589 full-time equivalent (FTE) students. These funds are essential to provide the instruction and support needed for the additional students.
- **Enrollment Change Residual Amount** - The enrollment funding formula was not fully funded in the 2003-2005 biennial budget. The formula was funded at 50 percent in 2003-2004 and at 90 percent in 2004-2005 at the reduced rate of \$3,300 per-FTE-Hoosier student. The University requests the difference in funding from the formula for 2004-2005.

- **Appropriation Adjustment** - In past budget 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. Addressing this problem requires changes in state funding policies and a review of the differentials in funding. The University of Southern Indiana requests a special appropriation adjustment in 2005-2007 to address the discrepancy in funding per-FTE-Hoosier student.
- **Plant Expansion** - Plant expansion is requested for the new David L. Rice Library scheduled for completion in 2006.
- **Balance of Base Restoration** - In the 2003-2005 biennial budget, 50 percent of the operating base that was reduced in 2002-2003 through the Deficit Budget Management Plan was restored. The University requests the balance of the restoration of the base in the 2005-2007 Operating Budget Request.

### **QUALITY IMPROVEMENT INITIATIVES**

	<b>2005-2006</b>	<b>2006-2007</b>
	<b><u>Request</u></b>	<b><u>Change</u></b>
<b>Center for Applied Research and Economic Development</b>	\$275,000	\$250,000
<b>Manufacturing Technology Program</b>		\$125,000
<b>Accelerated Baccalaureate Professional Nursing Program</b>	\$170,000	

The University of Southern Indiana requests quality improvement funds to support the development of three new initiatives needed to serve regional workforce and economic development demands. The support provided will assist the University in planning and implementing new programs and strengthen the institution's commitment to service to the region and the state. To develop new programs without start-up funding is a major challenge in light of the low institutional funding base and USI's continued growth in enrollment growth.

#### ***Center for Applied Research and Economic Development***

The University of Southern Indiana plans to establish a Center for Applied Research and Economic Development to coordinate University resources to assist business, industry, governmental agencies, and entrepreneurial groups in a variety of applied research, technical assistance, development, and educational and training activities. The Center will enable the

University to contribute more actively to the general economic well being of southwestern Indiana and the State of Indiana to help grow jobs. Through the expansion of existing University services and the development of new and innovative activities, the Center will strengthen the economic future of the region.

### ***Bachelor of Science in Manufacturing Technology***

Indiana workforce statistics indicate the accelerating demand for trained technicians and technology graduates in the manufacturing field due to the increased “high-tech” capabilities required in advanced manufacturing techniques. The Bachelor of Science in Manufacturing Technology program is designed to prepare students for employment in the manufacturing sector as skilled technologists. Graduates from the manufacturing technology program will fill a critical need for trained technologists in an area of the state which has a high concentration of advanced manufacturing companies. The availability of this program will help promote continued economic development in southern Indiana and throughout the region.

### ***Accelerated Baccalaureate Professional Nursing Education Program***

The shortage of nurses is a major challenge for health care providers in the tri-state region. The nursing shortage in the State of Indiana is estimated to be 12 percent in 2005 and will increase steadily to 31.5 percent by 2020. The establishment of the Accelerated Baccalaureate Professional Nursing Education Program will provide individuals with a previously earned non-nursing bachelor’s degree the opportunity to complete requirements for a second degree in nursing within 16 months of enrollment in the nursing program.

### **LINE ITEM APPROPRIATION REQUEST**

The University’s 2005-2007 Operating Budget Request includes line item appropriations for Historic New Harmony and Lincoln Amphitheatre.

<b>Historic New Harmony</b>	<b>2005-2006</b>	<b>2006-2007</b>
	<b><u>Request</u></b>	<b><u>Request</u></b>
<b>Base Appropriation</b>	\$394,519	\$406,355

The line item appropriation request for Historic New Harmony is a continuation of the funding appropriated by the Indiana General Assembly beginning in 2000-2001. The funding

requested for Historic New Harmony in the 2005-2007 biennium supports the preservation, education, and interpretive programs of one of Indiana's most significant historic sites. The funding request includes:

- restoration of the seven percent reduction in the line item appropriation in 2002-2003; and
- a three percent increase on the restored base of the line item appropriation in 2005-2006 and 2006-2007.

Funding the University's 2005-2007 Line Item Budget Request for Historic New Harmony will restore the budget to the funding level in 2000-2001.

<b>Lincoln Amphitheatre</b>	<b>2005-2006 <u>Request</u></b>	<b>2006-2007 <u>Request</u></b>
<b>Base Appropriation</b>	\$280,634	\$349,173
<b>Special Capital Appropriation</b>	\$245,000	\$245,000

Through a contractual agreement since 1988 with the Indiana Department of Natural Resources, the University of Southern Indiana has been involved with the management of the Lincoln Amphitheatre and the production of *Young Abe Lincoln*.

The 2005-2007 Line Item Appropriation Request for Lincoln Amphitheatre addresses serious concerns about the future viability of the Amphitheatre and *Young Abe Lincoln*. The University of Southern Indiana requests increased funding of the base appropriation for Lincoln Amphitheatre in the 2005-2007 biennium. The University also requests support for needed capital expenditures to enhance the production of *Young Abe Lincoln* and to renovate the Amphitheatre.

The University is committed to the long-term successful operation of the theatre, provided funding is received from the state.

### **CAPITAL IMPROVEMENT BUDGET REQUEST**

The University of Southern Indiana requests funding for one capital project and bonding authorization (no state funds) for a second project during the 2005-2007 biennium.

<b>School of Business/General Classroom Building and Related Physical Plant Expansion</b>	<b>\$33,800,000</b>
<b>Recreation and Fitness Center Expansion - Phase II (Authorization Only - no state funds)</b>	<b>\$7,250,000</b>

Restoration of full funding of the General Repair and Rehabilitation and Infrastructure formulas to maintain existing facilities, including the infrastructure which supports these facilities, is requested in both years of the biennium. Several general repair and rehabilitation projects totaling \$1,939,038 are planned for completion in the 2005-2007 biennium.

## **CONCLUSION**

The University of Southern Indiana requests support from the State of Indiana for its 2005-2007 Operating and Capital Improvement Budget Requests. The funding requested to support current programs and services, growth in enrollment, quality improvement initiatives, plant expansion for approved projects, capital projects, and repair and rehabilitation projects is essential for the University of Southern Indiana to serve the southern Indiana region and to help achieve the goals of the state.

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

<b><u>EXPENDITURES</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>
Expenditure Base	<b>65,555,478</b>	<b>72,750,284</b>
Base Adjustments		
A. Enrollment Change	2,061,500	0
B. Enrollment Change Residual Amount	403,230	0
C. Plant Expansion	332,779	1,038,270
D. Appropriation Adjustment	1,500,000	0
E. Balance of Base Restoration	485,632	0
Subtotal Before Debt Service	4,783,141	1,038,270
F. Debt Service	14,137	(3,000)
Reallocation of Student Fees	(14,137)	3,000
Subtotal Debt Service	0	0
Total Expenditure Base	<b>70,338,619</b>	<b>73,788,554</b>
Maintenance for Current Programs		
A. Personal Services 3%	1,462,857	1,506,744
B. Supplies & Expense 3%	439,383	452,564
C. Student Aid 3%	64,425	66,358
Subtotal Maintenance for Current Programs	1,966,665	2,025,666
Quality Improvement		
A. Center for Applied Research/Economic Development	275,000	250,000
B. Manufacturing Technology Program	0	125,000
C. Accelerated Nursing Program	170,000	0
Subtotal Quality Improvement	445,000	375,000
Total Budget Increases	<b>7,194,806</b>	<b>3,438,936</b>
Total Expenditure Request	<b>72,750,284</b>	<b>76,189,220</b>
 <b><u>REVENUE</u></b>		
Student Fee Base	<b>25,999,878</b>	<b>27,078,397</b>
Fee Increase 3%	1,092,656	1,125,435
Transfer to Debt Service	(14,137)	3,000
Total Student Fees	<b>27,078,397</b>	<b>28,206,832</b>
Operating Appropriation Base	<b>33,696,185</b>	<b>39,798,335</b>
Appropriation Increase	6,102,150	2,313,501
Total Operating Appropriation	<b>39,798,335</b>	<b>42,111,836</b>
Fee Replacement Appropriation Base	<b>5,859,415</b>	<b>5,873,552</b>
Fee Replacement Change	14,137	(3,000)
Total Fee Replacement Appropriation	<b>5,873,552</b>	<b>5,870,552</b>
Total State Appropriation	<b>45,671,887</b>	<b>47,982,388</b>
Total Revenue Request	<b>72,750,284</b>	<b>76,189,220</b>

**SUMMARY I  
SUMMARY OF 2005-07 OPERATING REQUEST  
UNIVERSITY OF SOUTHERN INDIANA**

<u>EXPENDITURE BUDGET CHANGES</u>	2004-05 BUDGET TOTAL (\$)	2005-06 REQUEST			2006-07 REQUEST			TOTAL BIENNIUM (\$)
		CHANGE (\$)	(%)	TOTAL (\$)	CHANGE (\$)	(%)	TOTAL (\$)	
<b>I. BASE ADJUSTMENTS</b>								
A. Enrollment Change		2,061,500		2,061,500	0		2,061,500	4,123,000
B. Enrollment Change Residual Amount		403,230		403,230	0		403,230	806,460
C. Plant Expansion		332,779		332,779	1,038,270		1,371,049	1,703,828
D. Appropriation Adjustment		1,500,000		1,500,000	0		1,500,000	3,000,000
E. Balance of Base Restoration		485,632		485,632	0		485,632	971,264
SUBTOTAL		4,783,141		4,783,141	1,038,270		5,821,411	10,604,552
<b>II. PRICE INFLATION</b>								
A. Personal Services	48,761,923	1,462,857	3.0%	50,224,780	1,506,744	3.0%	51,731,524	101,956,304
B. Supplies and Expense	14,646,059	439,383	3.0%	15,085,442	452,564	3.0%	15,538,006	30,623,448
C. Student Assistance	2,147,496	64,425	3.0%	2,211,921	66,358	3.0%	2,278,279	4,490,200
SUBTOTAL	65,555,478	1,966,665		67,522,143	2,025,666		69,547,809	137,069,952
<b>III. QUALITY IMPROVEMENTS</b>								
A. Ctr for Applied Research/Econ Development		275,000		275,000	250,000		525,000	800,000
B. Manufacturing Technology Program		0		0	125,000		125,000	125,000
C. Accelerated Nursing Program		170,000		170,000	0		170,000	340,000
SUBTOTAL		445,000	0.7%	445,000	375,000	0.5%	820,000	1,265,000
<b>TOTAL EXPENDITURE BUDGET</b>	<b>65,555,478</b>	<b>7,194,806</b>	<b>11.0%</b>	<b>72,750,284</b>	<b>3,438,936</b>	<b>4.7%</b>	<b>76,189,220</b>	<b>148,939,504</b>
<b><u>INCOME BUDGET</u></b>								
<b>I. STUDENT FEES</b>								
A. Rate Change								
1. Gross Fee Base	36,421,851	1,092,656	3.0%	37,514,507	1,125,435	3.0%	38,639,942	76,154,449
2. Academic Facility Fees	(5,859,415)	(14,137)	0.2%	(5,873,552)	3,000	-0.1%	(5,870,552)	(11,744,104)
3. Other Dedicated/Restricted Fees	(4,562,558)	0	0.0%	(4,562,558)	0	0.0%	(4,562,558)	(9,125,116)
SUBTOTAL (= Net Unrestricted Fees)	25,999,878	1,078,519	4.1%	27,078,397	1,128,435	4.2%	28,206,832	55,285,229
<b>II. FEDERAL FUNDS</b>								
<b>III. STATE APPROPRIATIONS</b>								
A. Operating Expense	33,696,185	6,102,150	18.1%	39,798,335	2,313,501	5.8%	42,111,836	81,910,171
B. Fee Replacement Base	5,859,415	14,137	0.2%	5,873,552	(3,000)	-0.1%	5,870,552	11,744,104
SUBTOTAL	39,555,600	6,116,287	15.5%	45,671,887	2,310,501	5.1%	47,982,388	93,654,275
<b>TOTAL INCOME BUDGET</b>	<b>65,555,478</b>	<b>7,194,806</b>	<b>11.0%</b>	<b>72,750,284</b>	<b>3,438,936</b>	<b>4.7%</b>	<b>76,189,220</b>	<b>148,939,504</b>

# UNIVERSITY OF SOUTHERN INDIANA

## PRIMARY ROLES AND MISSIONS

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Since its founding, 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 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 high school graduates in 1985 when USI was established as a separate state institution, to 78 percent in 2003. These gains outpace both state and national averages and speak to the strong partnership USI has established with K-12 schools, Ivy Tech State College, and business and industry.

In 1985, USI was the first baccalaureate institution in the state to develop articulation programs with a 30-credit-hour transfer agreement with Ivy Tech State College, paving the way for other institutions in the state to develop relationships with what has now become a community college system, and opening windows of opportunities for countless Ivy Tech graduates who aspire to a baccalaureate degree. Similar agreements are in place with Vincennes University and with the community colleges in nearby counties in Kentucky and Illinois.

The University was established in 1965 as a branch campus of Indiana State University in response to an expression of need for public education in Evansville, the state's third largest city, and its surrounding communities. In 1985, the legislature created the University of Southern Indiana as a separate statewide public university. The change in structure and mission was best delineated by then-Governor Robert D. Orr in his charge to the first Board of Trustees:

*“You have a statutory mission that is laid out in the bill passed by the legislature, and it is going to take a lot of effort on the part of everyone to live up to those requirements as they have been spelled out by the Indiana General Assembly. This is now a statewide institution, and it is important that this point be emphasized. Heretofore, this has been a branch campus of Indiana State University, and it has been understood to be regional in nature. It was created to accomplish a regional mission...just as other branch campuses around the state. Now this is a state institution in the fullest sense of the word.”*



In the nearly 20 years since USI became a separate state university, the Board of Trustees has carefully examined its mission statement on a regular basis. The mission statement has changed only with minor language requirements and is summarized in these two paragraphs:

*“American education assumes a link between the truth of an idea and the good it promotes for individuals and society. An educated person can be expected not only to be knowledgeable and more financially secure, but also a better citizen, among whose virtues are tolerance, judgment, and belief in freedom for self and others. These values develop in an atmosphere of open inquiry and pursuit of truth. Therefore, as the University of Southern Indiana seeks to support education, social and economic growth, and civic and cultural awareness in southwestern Indiana, it will be devoted primarily to preparing students to live wisely.”*

*“The University of Southern Indiana is a broad-based institution offering programs of instruction, research, and service. A liberal arts and science curriculum serves as the foundation of knowledge for all programs and complements undergraduate programs leading to careers in business, engineering, government, health professions, education, and related fields. Selected master’s degrees already in existence, and in development, serve persons in professional and technical studies. As a public institution, the University of Southern Indiana counsels and assists both business and industry and social, educational, governmental, and health agencies to higher levels of efficiency and improved services.”*

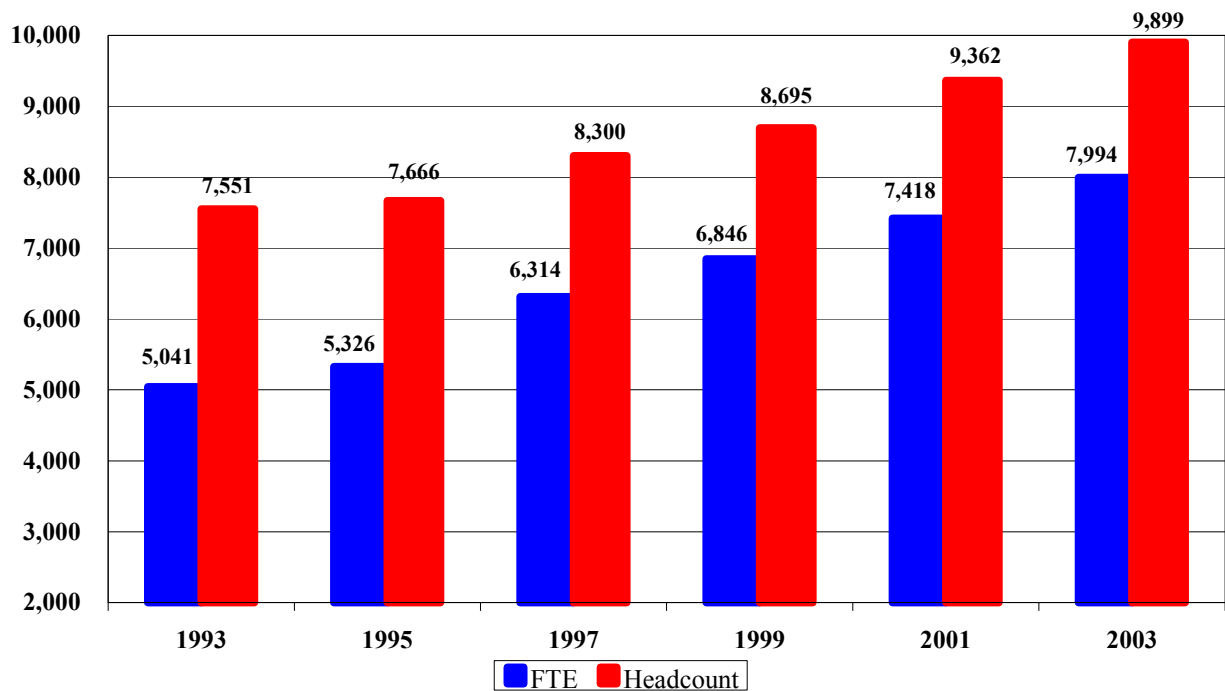
As the trustees have sought to fully develop the University and the opportunities for education, they have implemented policies which have created important changes in the curriculum, composition of the student body, and physical facilities needed to meet the mission of the University of Southern Indiana. 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, and performing applied research needed in the region. Graduates of the institution have become the educated workforce driving the regional and state economy, with more than 80 percent of graduates remaining in the state after graduation, contrary to the statewide trend of outmigration of college graduates. The University is regarded as a facilitator for community and regional progress, and encourages faculty and staff to freely

give their time and expertise to solve problems related to infrastructure development, economic vitality, educational and cultural advancement, and leadership development.

Enrollment at USI continues to grow steadily. Over the past decade enrollment increased by 31 percent from 7,551 in fall 1993 to 9,899 in fall 2003. During the same ten-year period, FTE enrollment increased by 59 percent, from 5,041 in fall 1993 to 7,994 in fall 2003 (Figure 1 – *USI Student Headcount and FTE Enrollment 1993-2003 Fall Semester*).

**FIGURE 1**

**USI STUDENT HEADCOUNT AND FTE ENROLLMENT 1993-2003 FALL SEMESTER**



University of Southern Indiana

Maintaining affordability for postsecondary education is a primary goal of the University of Southern Indiana, believing that cost can be a hindrance to access. According to the College Board’s *Annual Survey of Colleges (ASC)*, the average undergraduate tuition and fees charged by public four-year colleges and universities in 2003-2004 was \$4,694. At USI, tuition and fees for full-time, in-state undergraduate students were \$3,885 in 2003-2004 while the average charge for four-year public institutions in Indiana was \$5,550, as reported by the Indiana Commission for Higher Education. Students attending USI full-time in 2004-2005 will pay \$4,077, compared

to the \$5,792 average for other Indiana public baccalaureate institutions. USI is the only baccalaureate-granting public institution which has not imposed a \$1,000 surcharge on tuition for new students. 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.

A major goal of the USI Foundation is the establishment of merit scholarships to attract and retain talented Hoosier students. The privately funded Presidential Scholarship program attracts 10 new Hoosier valedictorians and/or salutatorians each year, supporting a total of 40 students annually. The USI Foundation also has initiated fund raising for Deans Scholarships and the highly competitive Baccalaureate/Doctor of Medicine (B/MD) Program Scholarships, a joint endeavor with the Indiana University School of Medicine - Evansville Center. The B/MD program accepts up to six new freshmen a year, guaranteeing them admission to medical school on completion of their undergraduate work, if they meet the academic standards of the program. All these programs are keeping some of Indiana's brightest and best students in Indiana for their college study, and an overwhelming percentage of them remain in Indiana after graduation. Scholarship gifts to the USI Foundation in 2002-2003 accounted for more than \$625,000 in aid to students. Students also benefited from another \$1.7 million from corporate and other scholarship programs that do not flow through the Foundation.

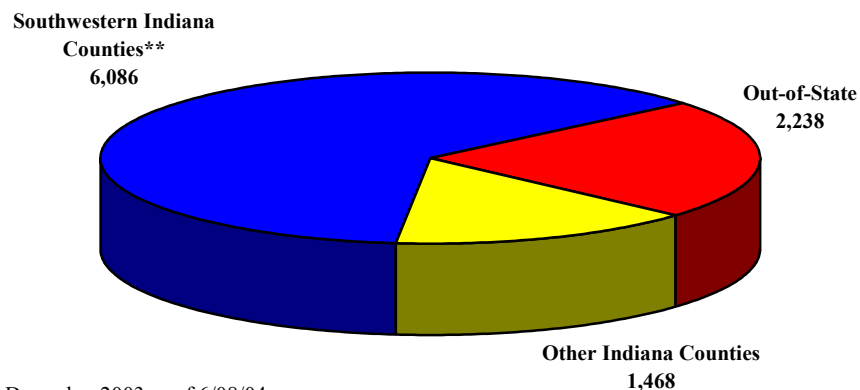
The availability of affordable student housing also speaks to the access issue. With rising gasoline prices, many students who commute from cities 45-60 miles away are comparing the cost of living on campus with the cost of commuting daily. The demand for housing has outpaced availability at USI with the opening of three new suite-style residence halls since 1999. In fall 2004, the fourth residence hall, Ruston Hall, will open and bring the number of students living on campus in apartment-style units or residence halls to over 3,000. The demand for on-campus housing also is an indicator of USI's changing demographics. More students are opting for the broader educational experience that comes with full residence-life programs. Studies indicate there is a statistically significant positive influence on persistence and degree completion for students living on campus. Consistent with the goals established by the Indiana Commission for Higher Education, student retention and student success are important goals of the University of Southern Indiana. The new residence halls incorporate support services which meet students' academic and social needs, and are targeted to increase retention.

The University of Southern Indiana's reputation for high-quality instruction continues to attract professors whose primary focus is teaching, and students who desire a vibrant, interactive learning academic experience. Faculty members are recruited to USI for their commitment to a

career of teaching and guiding the academic pursuits of their students. This dedication to quality teaching, combined with a strong academic recruitment program, attracts some of Indiana’s best students to USI. In fall 2003, 19.4 percent of entering freshmen accepted University academic scholarships, which recognize students who graduate in the top 25 percent of their high school class and hold an academic honors diploma. USI was the first public university in the state to recognize the academic honors diploma with a formal scholarship program. In the entering fall 2004 freshman class, the University will enroll 57 valedictorians or salutatorians and five Lilly Scholars. In an effort to keep more of Indiana’s brightest and best students in Indiana for their education, the University will use a portion of a Lilly Endowment grant to fund scholarships for Indiana’s National Merit Scholars, many of whom receive highly competitive scholarship offers from out-of-state schools.

Important to the region and the state are the students who graduate from USI and remain in the State of Indiana. Surveys of the graduating classes of 1993 through 2003 reveal that 77 percent live in Indiana and 81 percent of that number reside in southwest Indiana (Figure 2 – *Geographic Location of Graduates, USI Classes of 1993-2003*).

**FIGURE 2**  
**GEOGRAPHIC LOCATION OF GRADUATES**  
**USI CLASSES OF 1993-2003\***



\* Alumni through December 2003 as of 6/08/04  
 \*\* Includes Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick

**University of Southern Indiana**

The University of Southern Indiana is regarded as a vital partner in workforce and economic development in southern Indiana. Significant economic activity is occurring in the

southwestern Indiana region. Recently, USI was named a key partner in the new Certified Technology Park in downtown Evansville. The Digital Downtown Project will be an important force in revitalizing downtown and a significant contributor to economic development in the region. These and other recent developments include:

- The Digital Downtown Project was designated as a Certified Technology Park by the Indiana Department of Commerce and will include a high-tech incubator as well as a broadband internet and WiFi backbone to promote the development and expansion of IT based industries.
- Toyota Motor Manufacturing Indiana (TMMI) celebrated production of its millionth vehicle in June 2004. TMMI represents a \$2.5 billion investment in Gibson County, employs 5,000 people, and adds over \$96 million annually to the regional market's buying power.
- Vectren Corporation is locating its corporate headquarters in a new \$25 million building on Evansville's riverfront.
- Whirlpool Corporation continues to be one of Evansville's largest employers with 2,340 people on the payroll at its design center and refrigerator plant. Whirlpool will begin manufacturing its bottom-mount refrigerators in Evansville in 2006. The company, which plans to invest \$8 million in the product line, will add engineers and designers at the facility.
- The world headquarters of United Components, an automotive parts manufacturer, has located in northern Vanderburgh County and created 60 new jobs.
- Evansville's Dress Regional Airport reports passenger count has increased by 4.3 percent in 2004 and more than \$2 million in improvements are underway.
- Vision 2000, the regional economic development office, has changed its name to Vision-e, reflecting emphasis on electronic infrastructure now offered to attract new business, and emphasizing as well the importance of education, entertainment, and economic development to securing and retaining regional businesses.

- ALCOA's Newburgh plant represents longtime industrial strength with a workforce of 2,225 making sheet metal for aluminum cans.
- Mead Johnson Nutritionals is Evansville's largest industrial employer with 2,500 employees who make baby formula and other nutritional products.
- Azteca Corn Milling has undertaken a \$24 million expansion of its plant in northern Vanderburgh County.
- Both regional medical centers – Deaconess Hospital and St. Mary's Medical Center, both with workforces approaching 2,500 – have expanded services, including a new women's hospital and an oncology center. A specialized cardiac care unit is under development.
- Southwind Maritime Center, located just 10 miles from USI in Mt. Vernon, Indiana, reports that cargo shipping through the port has jumped 25 percent over its 2003 volume, attributing a portion of the increase to new customers. Shipments of both coal and grain were up sharply.
- GE Plastics in Mt. Vernon has a workforce of 1,350 and has made major investments in facilities, equipment, process improvements, new product developments, and environmental improvements at its four thermoplastics businesses.
- A new technical park in Daviess County, near Crane Surface Warfare Center, will provide an incubator for high-tech jobs, and an anchor tenant, EG & G Technical Services, has been announced.
- Webb Wheel is building a new \$22.5 million plant to employ over 80 workers in Perry County.
- Accent Customer Relationship Partners has opened a call center, creating 80 jobs in marketing and customer service for major U.S. companies.

Many new businesses, suppliers for large manufacturing plants, continue to spring up throughout the area, which has been experiencing a shortage of qualified workers at all levels. Toyota, in particular, has attracted a wide range of suppliers. To meet Toyota's high standards, each business requires a skilled workforce. Moreover, the demand for well-educated employees

continues to grow as new industries affect wage rates in the broader region and cause movement in the employee pool. Clearly, the participation in education, both credit and noncredit, is increasing. There is a continuing demand for higher education to actively engage in addressing workforce issues of education and training. The new engineering program at the University of Southern Indiana is an example of how the University of Southern Indiana is meeting the needs of existing and new businesses.

Mindful of its obligation to serve the region and the state, the University has accepted many invitations for partnership in community, regional, and state progress. State and local officials often cite the important role that accessibility to public higher education has played in attracting new industry to the region. The University of Southern Indiana continues its strong tradition of service, particularly in the form of continuing education and employee development training, to meet the ever-changing needs of area businesses and industrial firms, as well as of K-12 schools and the public sector.

The University of Southern Indiana has positioned itself to respond with appropriate and needed educational programs and services to further growth and progress. A comprehensive study of workforce and economic development needs in the region was completed in 1999-2000. The study identified shortages of baccalaureate- and master-educated people needed by regional employers, and, as a result, university curricula were revised and new degree programs put in place, including engineering, applied computer science, special education, health service management, early childhood education, and public administration. In all, 13 new programs have been added and approximately 1,000 students have chosen these new major areas of study. 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. A business leader recently was quoted in the news, saying "USI is a perfect example of a successful community-driven education institution."

## **PRIORITIES OF 2005-2007 OPERATING AND CAPITAL IMPROVEMENT BUDGET REQUESTS**

The 2005-2007 Operating Budget Request and Capital Improvement Budget Request for the University of Southern Indiana were developed in response to the critical needs of the institution and the State of Indiana. The University maintains its commitment to provide students with an affordable, quality education and will continue to expand its many partnerships with business and industry, social, educational, governmental, and health agencies.

The University faces many challenges as it continues to operate with the lowest tuition and fees of all four-year public universities in the state and the lowest appropriation per-FTE-Hoosier student of the four-year residential campuses. The financial support the University receives from the state is very important to be able to provide the programs, facilities, and support services necessary to fund increasing enrollments and the educational requirements for a high quality educational experience.

The University of Southern Indiana seeks support from the State of Indiana for its 2005-2007 Operating and Capital Improvement Budget Requests to fund:

- ***Growth in enrollment;***
- ***Current programs and services;***
- ***Increased appropriation levels due to disparity in funding;***
- ***Quality improvement for the Center for Applied Research and Economic Development, the Bachelor of Science in Manufacturing Technology, and the Accelerated Baccalaureate Professional Nursing Education Program;***
- ***Plant expansion for approved projects; and***
- ***Construction of the new School of Business/General Purpose Classroom Building.***

To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2005-2007 Operating and Capital Improvement Budget Requests.



## STUDENTS WHO CHOOSE USI

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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. The University 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. In the past ten years, enrollment increased by 31 percent from 7,551 in fall 1993 to 9,899 in fall 2003. The most dramatic change in enrollment is the number of full-time students. Over the past decade full-time student enrollment increased by 73 percent from 4,285 in fall 1993 to 7,402 in fall 2003. Today, nearly 3,000 students, or 28 percent, of the student body live on campus in student housing. 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 20,000 alumni, 80 percent live in Indiana and 88 percent of that number reside in southwest Indiana. The University's 2005-2007 operating budget priorities support the University's commitment to increase access to higher education and to ensure student success.

### EDUCATIONAL IMPACT

The University of Southern Indiana has had a dramatic impact on the college participation rates in the 11 southwestern Indiana counties which comprise its principal service area. Since 1985, when USI was established as a separate state university, the number of high school graduates from the region pursuing postsecondary education has steadily increased.

### COLLEGE PARTICIPATION IN SOUTHWEST INDIANA

	1985	2003
<b>H.S. Graduates</b>	4,852	4,540
<b>College-Bound</b>	1,645 (33%)	3,524 (78%)
<b>USI Freshmen</b>	642	1,116

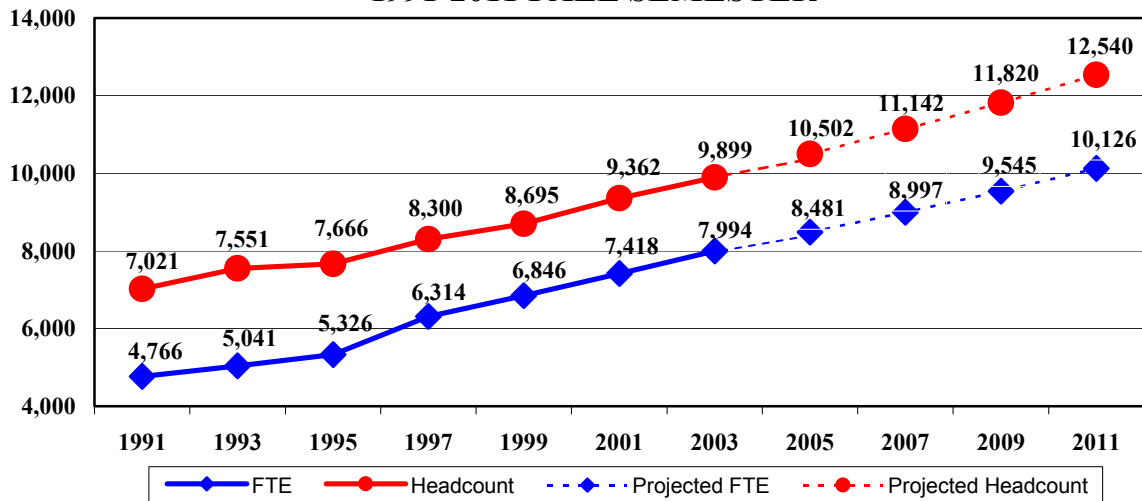
Information from the Indiana Department of Education shows the number of college-bound public high school graduates has grown from 1,645 students (33 percent) in 1985 to 3,524 students (78 percent) in 2003. Of the 3,524 college-bound graduates in this region in 2003, approximately 1,116 (32 percent) chose the University of Southern Indiana.

## ENROLLMENT GROWTH

Total enrollment at the University of Southern Indiana continues to increase. Undergraduate enrollment increased 4.2 percent from fall 2001 to fall 2003, while graduate enrollment increased by 29 percent. The increase in the number of USI undergraduate students enrolling on a full-time basis has created a definite change in the profile of the student body compared to past years. Full-time equivalent (FTE) undergraduate students in fall 2001 numbered 7,155 compared to 7,673 in fall 2003, an increase of 7.2 percent. Also, the number of credit hours generated by full-time undergraduate students in fall 2003 increased by 8.7 percent over fall 2001. In fact, full-time undergraduates accounted for 90.4 percent of all credit hours generated by undergraduate students in fall 2003. Enrollment growth is expected to increase at a rate of three-to-five percent each year in the foreseeable future (Figure 3 – *Actual and Projected: Student Headcount and FTE Enrollment 1991-2011 Fall Semester*).

**FIGURE 3**

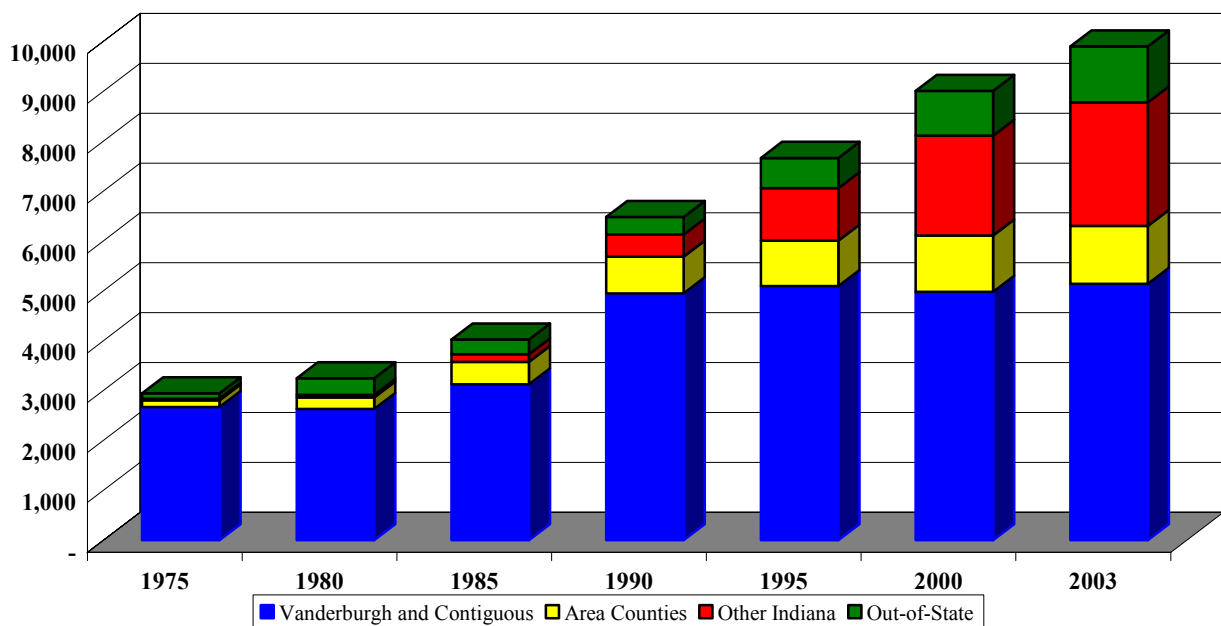
### ACTUAL AND PROJECTED: STUDENT HEADCOUNT AND FTE ENROLLMENT 1991-2011 FALL SEMESTER



University of Southern Indiana

With over 53.7 percent of the fall 2003 entering freshman class coming from its primary service area, the University is clearly committed to serving students in the region. In fall 2003, 63.7 percent of USI's students came from the 11-county service area and 25 percent came from other Indiana counties. USI provides wide access to students throughout the state, enrolling students from all of Indiana's 92 counties in fall 2003 (Figure 4 – *USI 28-Year Enrollment Growth by Geographic Areas*).

**FIGURE 4**  
**USI 28-YEAR ENROLLMENT GROWTH**  
**GEOGRAPHIC AREAS**



University of Southern Indiana

The University also has a commitment to serve regional students in Illinois and Kentucky. Significantly impacting the University's ability to attract students from Kentucky, the State of Indiana signed an agreement extending tuition reciprocity. The agreement, covering the years 2001-2005, enhances the University's ability to serve the students in four bordering Kentucky counties. A total of 407 students from the "reciprocity" counties in Kentucky enrolled in fall 2003. The four-year agreement assures students of the reciprocal tuition rates and allows USI to play an expanded role in the economic development of a region in which many people cross state lines for employment as well as education. The extension of the reciprocity agreement in 2005 is important to the regional areas of Indiana and Kentucky.

In fall 2003, 1,121 students from 36 states and 39 different countries were represented in the University's enrollment. Other noteworthy features of student demographics at USI include the following:

- Full-time student enrollment increased by 73 percent from 4,285 in fall 1993 to 7,402 in 2003. Last year alone, the number of full-time students increased 3.5 percent over the preceding year.
- Transfer students increased by 4.7 percent from 637 in fall 2001 to 667 in fall 2003.
- Students age 25 years or older represent 23.2 percent of the student population.
- Over 60 percent of the students are employed during periods of enrollment.
- Married students represent 11.9 percent of student enrollment.
- Nearly 3,000 students, 28 percent of the student body, live in student housing.
- Minority and international students represent 6.2 percent of the student population with African Americans comprising 4 percent, the largest segment of that group.
- More than 9,000 additional students are served annually in noncredit, continuing education, and workforce training programs.

## **STUDENT PREPAREDNESS**

The academic preparedness of incoming students continued to show improvement in fall 2003. While average SAT and ACT scores and high school grade-point averages remained relatively unchanged, freshman placement test scores indicated that students were better prepared academically than in the past. Results of placement test scores for freshmen entering in fall 2003 show that the percentage of students fully prepared in basic academic areas increased. Improved academic preparedness is reflected in the reduced number of students admitted on a conditional basis. During fall 1993, over 24 percent of entering freshmen students were admitted conditionally; and by fall 2003 that number was reduced to ten percent despite the continued increase in freshman enrollment. The trend likely will continue since USI's fall 2004 freshman applicants who ranked in the top 25 percent of their high school class increased by 2.5 percent over the preceding year. The University expects to continue to attract increased numbers of students ranked in the top 25 percent of their class because of academic scholarship programs that reward top students with higher scholarship dollars. The 2004 freshman class will include five Lilly Scholars and 57 valedictorians or salutatorians.

Since the Core 40 requirements began in fall 1998, the University believes that students meeting the requirements serve to improve the overall academic preparation of entering students.

The University accepts, unconditionally, all students who meet the Core 40 requirements and who have a high school grade-point average of at least 2.0. As the percentage of high school graduates satisfying Core 40 increases, USI is committed to establishing a more rigorous admission policy, requiring the completion of Core 40 for any student admitted unconditionally to the University.

The University continues to refine its approach to academically underprepared applicants through the OPTIONS program. Approximately one-fourth of conditionally admitted freshmen enter this program, run jointly with Ivy Tech State College - Evansville. The program seeks to support academic success in a group of high-risk students through the following program elements:

- developmental classes at the level of each student's need;
- regular and frequent meetings with mentors who work exclusively with OPTIONS students; and
- an OPTIONS-specific section of a college success skills course.

Students selected for this program take, as needed, developmental classes offered by Ivy Tech State College - Evansville on USI's campus. These classes provide appropriate levels of remediation, while the mentoring program assists with the transition from high school to university and the adjustment to increased academic demands. This realistic approach improves students' retention and persistence, while simultaneously permitting advisors to give more attention and support to the better-prepared students among the conditional admits. USI refers to Vincennes University those applicants with needs determined to be greater than either OPTIONS or University resources can meet. These students must improve their preparedness before they are allowed to enroll on the USI campus.

To assist bright and motivated students with the intellectual transition from high school to college, the University maintains the College Achievement Program, a cooperative program with 13 participating regional high schools which allows highly motivated high school junior and senior students to take regular college courses at their own high school. Available survey courses include biology, mathematics, physical education, English composition, history, chemistry, physics, economics, journalism, and health professions. The University also offers joint enrollment options for high school students interested in taking dual-credit distance education courses.

## **MINORITY PARTICIPATION**

The University is committed to increasing student diversity and is focused on recruitment strategies aimed at increasing the number of minority students. The Office of Admission and the Multicultural Center continue to collaborate on these efforts and include minority student groups to promote USI to all minority groups. Personal recruitment efforts are effective and will continue to be used. Of the 9,899 students enrolled in fall 2003, 551 (5.5 percent) were classified as minority. The percentage of African-American students enrolled remains consistent with the percentage living in the southwestern Indiana region.

The EXCEL Mentoring Program was developed to empower students to take charge of their own learning experiences with staff assisting and advocating for them as they learn to become independent. Through the EXCEL Mentoring Program, first-year and transfer students of color are assigned peer mentors to help with the transition from high school to college. The mentors share their own experiences at USI, encourage the students to develop the skills needed to succeed personally and academically, and teach the students to use the variety of services and programs available to USI students. The one-year retention rate of first-time degree-seeking African-American freshmen has steadily improved since fall 1994.

The THREADS (Teaching Human Respect and Encouraging Action Diversity Series) program is an initiative to encourage the University community to explore and celebrate the cultures of diverse populations on campus. Programs and events sponsored by campus departments and student organizations focusing on diversity are promoted through a coordinated University calendar. The THREADS program promotes understanding and mutual respect of all members of the University community and helps build a more welcoming and inclusive campus community.

## **ADULT STUDENTS**

In fall 2003, students over the age of 25 represented 23.2 percent of the student population at USI. The University has worked to develop educational opportunities for adult learners. For part-time, commuting, and older students, the University offers extensive evening, off-campus, and distance education programming to provide degree-completing opportunities. Currently 20 undergraduate majors can be completed through part-time evening and off-campus coursework. The University now offers four of its programs via distance education.

To promote adult enrollment at USI, a full-time professional staff person is assigned to market and recruit adult students. Direct contacts are made with area businesses such as Whirlpool, ALCOA, American General, and Dana Corporation to recruit adult students. Also, the University participates in workforce development job fairs.

The Non-Traditional Student Organization (NTSO) was organized to help integrate older students into the life of the University. NTSO has raised funds from private sources to create scholarships specifically for non-traditional age students. The first scholarships were awarded for the 2002-2003 academic year. Pinnacle, the national adult honors organization, recognizes outstanding leadership and academic performance among upper-class non-traditional students.

In 2000, the University's Bachelor of General Studies (BGS) degree was revised into a more flexible adult degree-completion program to enable graduates of associate and technical programs to complete a bachelor's program which targets individual workforce education needs. Even with minimal marketing, this program, targeted at students age 25 or over, has proven popular among adult students. In spring 2004, 32 students enrolled in the BGS program.

Increased industrial development in the southwestern Indiana region continues to impact the need for workers with higher level skills and education. Currently, all of the University's graduate programs can be completed through part-time evening coursework, and the University provides extensive noncredit programming in the areas of professional and workforce development. The University anticipates that the needs of adult learners will be best met with expanded degree programs at the master's level, increased opportunities for articulation from associate and technical programs, and increased noncredit programming for employee development and skills training. Where possible, programs are offered at regional employers' locations to accommodate the needs of both employees and employers, such as existing programs with Bristol Myers-Squibb, Toyota Motor Manufacturing Indiana, Kimball International, and ALCOA Warrick Operations.

## **21<sup>ST</sup> CENTURY SCHOLARS**

The University has been fully committed to the 21<sup>st</sup> Century Scholars program since its inception. The University corresponds directly with each 21<sup>st</sup> Century Scholar who is identified by the state. The University also offers a number of financial incentives, including a waiver of both the admission application fee and the \$200 security deposit for on-campus housing. To encourage retention, eligible 21<sup>st</sup> Century Scholars also receive a \$200 textbook grant for their second through fourth years. A professional staff member in the Office of Admission is

responsible for working with 21<sup>st</sup> Century Scholars and for providing high school counselors with up-to-date information on the special programs at USI. The number of 21<sup>st</sup> Century Scholars has grown steadily at USI, from the first class of 87 students in fall 1995 to 596 scholars in fall 2004. Since the program began in 1990, 1,681 scholars have enrolled at USI and 139 have graduated.

The University continues to lead efforts to ensure the success of the 21<sup>st</sup> Century Scholars program, making it possible for economically disadvantaged students to pursue higher education. As more and more students and their families are aware of this opportunity, it is likely that increasing numbers of students will take advantage of the program. Many of the students who participate in the 21<sup>st</sup> Century Scholars program are first-generation college students. According to the *2003 National Survey of Student Engagement* only 19 percent of the USI first-year students who participated in the study reported parents with a bachelor's or higher degree. The same national study showed that Masters I and II institutions across America had an average of approximately 40 percent of their first-year students in this category. It seems clear that USI serves a considerably higher percentage of first-generation students compared to most other four-year institutions.

## **RESIDENCE LIFE**

On-campus living provides students with outstanding living options for their "home away from home." The mission of Residence Life promotes and enhances the educational mission of the University of Southern Indiana by providing programs, services, staffing, and facilities that support academic success. Today, Residence Life serves the needs of nearly 3,000 students.

Students may choose to live in suite-style residence halls or apartment-type living units both on and off campus. The facilities are fully furnished and offer on-campus students the convenient living location they want with the services and amenities they need.

Residence Life continues to support the development of the whole student. Through its facilities, staffing, programs, and services, Residence Life continues to be key to the academic and developmental success of USI students.

## **OPPORTUNITIES FOR STUDENT DEVELOPMENT**

The University of Southern Indiana offers a wide array of opportunities for students to learn, develop, and grow. The University is committed to providing a holistic education and



preparing students to live wisely. The initial paragraph of the University's mission statement addresses the importance of student development:

*“American education assumes a link between the truth of an idea and the good it promotes for individuals and society. An educated person can be expected not only to be knowledgeable and more financially secure, but also a better citizen, among whose virtues are tolerance, judgment, and belief in freedom for self and others. These values develop in an atmosphere of open inquiry and pursuit of truth. Therefore, as the University of Southern Indiana seeks to support education, social and economic growth, and civic and cultural awareness, it will be devoted primarily to preparing students to live wisely.”*

Students have the opportunity to participate in a broad range of organizations and activities to practice what they are learning in the classroom. These organizations and activities provide students with an avenue to develop skills and to explore new interests and ideas. They are an integral part of the college experience and the education of the “whole” student. From orientation through graduation, students are challenged to step outside the classroom to develop and become contributing members of society. They can do this through a variety of activities, including:

- ***Student Organizations*** - USI has over 90 student organizations that address a variety of student needs and interests. There are academic and professional organizations, honorary and recognition societies, multicultural organizations, political organizations, religious organizations, service organizations, special interest, and club sports.
- ***Student Government Association (SGA)*** - Students elected to serve in leadership positions in SGA, represent and serve the entire student body. SGA provides a forum for expression of student views and interests and promotes the continuous improvement of higher education within the University. SGA serves as the voice of the student body to the Board of Trustees, faculty, administration, and the larger USI community. Students have an opportunity through involvement with SGA to impact the campus community while learning important life and leadership skills.
- ***Eagle Leaders*** - This program encourages involvement in campus activities for incoming students. Upperclass students serve as mentors to help new students

become involved in a variety of campus activities, including lectures and leadership programs.

- ***Activities Programming Board (APB)*** - USI's student-led programming organization provides out-of-classroom interaction, from educational programs to comedians, for thousands of students each year. Through the programs sponsored by APB, students are challenged to experience new ideas and new cultures.
- ***Greek Community*** - Fraternities and sororities provide a special opportunity for students to develop. These organizations provide avenues for students to hold leadership positions, develop interpersonal skills, participate in community service and philanthropic projects, and develop relationships with alumni and community members. In some instances, these organizations are responsible for the day-to-day operation of a housing facility.
- ***Intramural and Recreational Sports (IRS)*** - Through the Intramural and Recreational Sports program, students have the opportunity to participate in more than 50 programs, including intramurals, club sports, special events, outdoor adventure activities, and open recreation.

A unique opportunity for students to develop leadership skills is through the O'Daniel Leadership Academy established in 1997. With a \$100,000 endowment gift from USI Trustee Joseph O'Daniel, the Academy was created to further concentrate and focus efforts of the University to educate the "whole" student through development of interpersonal and leadership skills. It is the goal of the Academy to provide training, experiences, and instruction that will facilitate development of critical-thinking skills, interpersonal competence, increased clarity of purpose, and increased enrichment of the quality of life in each community of their affiliation. Because the programs are designed to meet the various levels of student leadership, the Academy has been successful in preparing many USI graduates for the challenges they face in the civic, business, and professional worlds.

- ***Executive Board Retreat*** - A one-day workshop is held during the fall semester for all students in leadership positions in campus student organizations. The program focuses on developing both personal and organizational leadership skills and empowering students to use these skills within their organizations.

- **Leadership USI** - This one-day workshop, lead by an expert in professional leadership, focuses on the growth and development of the individual student. It is designed to provide students with the opportunity to learn about themselves and a specific leadership topic.
- **Corporate Leadership Conferences** - A collaborative effort between the Academy and a southern Indiana business or corporation, this one-and-one-half day program offers nominated students the opportunity to interact and network with business leaders to learn about corporate leadership development initiatives. Past participants include American General Finance, *Evansville Courier and Press*, Mead Johnson Nutritionals, St. Mary's Medical Center, Toyota Motor Manufacturing Indiana, Fifth Third Bank, Vectren Corporation, and ALCOA.

The University of Southern Indiana has created numerous additional opportunities for students to be active participants or spectators in artistic, cultural, philanthropic, and community-based activities. Some of these activities and programs include:

- **International Programs and Services (IPS)** - The Office of International Programs and Services works with the Office of Admission to coordinate international recruitment activities and provide assistance to international students and scholars. The IPS Office provides leadership for the development of a broad range of international activities and events.
  - **Study Abroad** - The Office of International Programs and Services develops and coordinates overseas study opportunities at over 100 institutions in 50 countries. Students earn USI course credits; fees for many study-abroad programs are similar to USI tuition, room and board.
  - **Global Community Theme Floor** - Located in Governors Hall, the floor is open to freshmen from the United States and international students interested in learning more about the world through the exploration of cultures and global issues and by interacting with one another daily. Weekly programs are offered to provide residents with a diverse view of different countries, cultures, and customs. The program also hosts day trips to areas of interest within the region.

- ***Campus-Wide International Programming*** - This forum for communication and learning contributes to increased international awareness, acceptance, and understanding of peoples and cultures from around the world.
- ***Multicultural Center*** - The Multicultural Center encourages, promotes, and enhances the personal and academic success of students by preparing them to be responsible citizens in a multicultural society. The Center offers programs and services to assist in the academic and social integration of underrepresented students into the University. USI offers a variety of multicultural organizations for students to join. Other activities include:
  - ***Diversity Workshops and Programs*** - The Center offers a variety of workshops and programs to strengthen and enhance awareness, appreciation, and acceptance of diversity within the University community as it relates to race, gender, religion, nationality, age, sexual orientation, disabilities, and lifestyles. For example, during Welcome Week, first-year and transfer students of color and their families participate in the Cultural Diversity Welcome Reception. This experience provides students and their families an opportunity to interact and build relationships with faculty, administrative staff, and returning students at an informal reception.
  - ***College Mentors for Kids, Inc.*** - This program cultivates ongoing mentoring relationships between college students and primary school children through shared experiences on campus. Activities focus on education, arts, culture, and social responsibility to help children develop a vision for the future that includes attending college, serving the community, and appreciating diverse peoples and cultures.
  - ***Designed by Grace*** - USI's Gospel choir is open to all students and is a cooperative initiative by the USI Multicultural Center and the School of Liberal Arts. The choir performs a variety of music, including spirituals and hymns, on campus and in the community.
- ***Theatre and Musical Productions*** - Numerous theatre and musical productions are offered on and off campus.

- ***Volunteer USI*** - Students share their time and talent to support one of the University's outreach activities such as tourism, theatre, or business and community development programs. Since its founding in 1998, students involved in the college chapter of Habitat for Humanity have volunteered thousands of hours to assist in the construction of homes throughout southern Indiana and other locations in the United States.
- ***New Harmony Gallery of Contemporary Art*** - Established in 1975, this Gallery in nearby New Harmony is a not-for-profit exhibition space, dedicated to the promotion of contemporary art created by artists of the midwest.

## STUDENT SUCCESS

The first year of college is the foundation for a student's entire college experience. The degree to which students are successful in their first year is a major predictor of their future success. The University is committed to helping students build a strong platform for success and has developed several programs to ensure the success of first-year students. The First Year Initiatives (FYI) program was designed to help freshmen in the following areas:

- become successfully integrated into the USI culture and student body;
- develop the skills and drive necessary to excel in college courses;
- recognize their responsibility and potential to give something of value to their community;
- know they are valued members of the campus community; and
- achieve a greater sense of their potential and happiness.

In order to achieve these goals, the following services and programs are offered to all new freshmen:

- ***Calling New Eagles*** - A program designed to maintain contact with new students during their first semester at USI. Each new student is contacted via telephone by a staff member or student leader to discuss how the new student is adjusting to classes and campus life. New students also can use this telephone call as a resource to ask questions about getting involved in student organizations, meeting with their advisor, registering for classes, and dealing with any challenges the student may be facing.

- ***Freshman Success Series*** - These workshops cover various topics to help first-year students adjust to the responsibility of living independently for the first time. The goals of the program include:
  - helping students become productive citizens of the college community;
  - enhancing their self-esteem; and
  - clarifying personal, academic, and career values.

Topics include Managing Money, Making Wise Decisions, Goal Setting, and How to Calculate College GPA. These workshops are held in relaxed settings allowing students to speak freely about these issues.

- ***Living-Learning Community - First Year Initiatives (FYI) Floor***

At the University of Southern Indiana, first-year students with similar interests, goals, or academic programs can become part of a collaborative experience called Living-Learning Communities (LLC). Established in 1999, Living-Learning Communities are intentional partnerships with academic and student affairs programs to help students create a strong link between their everyday lives and their learning experiences in the classroom. Floor participants take three classes together each semester and participate in special educational and social programs designed to assist in the transition from high school to college. Students who participate in the program develop stronger relationships with fellow students and receive additional encouragement from faculty and university staff. The heightened faculty and staff involvement, special programs and activities, community service projects, freshmen seminars, and block course scheduling help students adjust to college life and promote student success.

## **RETENTION**

Student retention and timely graduation are issues that receive considerable attention at the University of Southern Indiana. The development, implementation, and management of new and enhanced co- and extra-curricular programs are yielding meaningful results. These new programs are based on initiatives started several years ago through a University-wide retention committee. The focus is on the development and integration of a series of programs and services to create a unified undergraduate experience.

- ***Project e-AGLE*** - During fall 2003, USI freshmen and their parents were introduced to a revolutionary new retention program called **Project e-AGLE** (electronic advice for a great learning experience). The project is a collaborative effort between Academic Affairs, Student Affairs, Business Affairs, the University of Southern Indiana Foundation, and GoalQuest (a strategic enrollment management company) and is focused on improving the retention rates of first-year students. GoalQuest provides a suite of Web-based programs that target freshmen and their parents to increase student retention and strengthen academic and social development by reaching out directly to students and enhancing the University's relationship with parents. Each interactive module engages students with information on subjects ranging from academic skills and leadership development to avoiding roommate problems and risky behavior. The programs enable students and parents to provide feedback on their progress and to ask questions of University resources and support services. The project is designed to increase freshman student retention by delivering reinforcement of critical retention information to students and their parents.
- ***New University Advising Council*** - In an effort to provide greater focus and attention to the transitional issues inherent in the freshman-year experience, the University has undertaken a careful examination of academic advising. Based upon the findings of a year-long study, a new University Advising Council was established in spring 2004. The committee is charged with improving the advising process, developing an approach for effective assessment and evaluation of advising and advisors, implementing a campus-wide communication plan regarding academic advising issues, and establishing a method of recognizing and rewarding effective advising.

Since 1993, the retention rates of first-time degree-seeking freshmen enrolled at the University of Southern Indiana has risen from 53.5 percent to 61.4 percent in 2003, an increase of 7.9 percentage points. The retention of juniors and seniors also has increased.

Analysis of these rates indicates improvement in the retention of students entering the University with high school grade-point-averages in the range of 2.0 to 2.9. Historically, students in this grade range have been at the greatest risk of dropping out of the University. Many of USI's retention initiatives have been directed at this cohort.

Other initiatives include the establishment of learning communities for the University honors, nursing, elementary education, business, science and engineering, and international programs; a center for academic and study skills development in University housing; structured

study and tutorial services; an expanded summer student orientation program; and student support programs for commuter students. The *Improve@USI* task force continually assesses and evaluates student satisfaction with University programs and services and is empowered to “find and fix” point-of-contact issues with student services.

Examination of enrollment characteristics indicates that incoming, continuing, and transfer students continue to enroll for heavier academic loads. Fall 2004 pre-registration and early incoming freshman registration data indicate that this trend will continue for the foreseeable future. Historically, increased academic load has been indicative of student success. Student retention rates are expected to continue to improve given the dramatic increase in the percentage of the incoming freshman class admitted unconditionally (76.2 percent in fall 1993 to 90.2 percent in fall 2003).

## **GRADUATES AND GRADUATE EDUCATION**

The presence of the University of Southern Indiana has significantly impacted the college attendance rate of high school graduates in the 11 counties of southwestern Indiana. Since 1985 the number of students pursuing postsecondary education has more than doubled from 1,645 to 3,524 in 2003. Although the traditional 18- to 24-year-old college student comprises the majority of students at USI, non-traditional students, aged 25 years and older, account for 23.2 percent of the student body. Over 60 percent of USI’s students are employed during periods of enrollment, nearly one in eight is married, and more than 25 percent (25.2 percent) attend the University part-time.

Many students, due to familial and work responsibilities, often must “stop out” for extended periods of time. Research on students enrolled during the 1998-1999 academic year indicates that eight to ten percent of the students enrolled discontinued their studies for various reasons for one or more academic terms. The older, part-time, employed, and/or married students do not progress and graduate at rates comparable to traditional-aged students. To meet the needs of adult students with responsibilities for family and work, the Bachelor of General Studies was revised into a more flexible degree program.

The University awarded 1,619 degrees and certificates to 1,581 individuals for the 2003-2004 academic year. This represents an 18.4 percent increase over the previous year (1,367). The following types of degrees were conferred for 2003-2004:

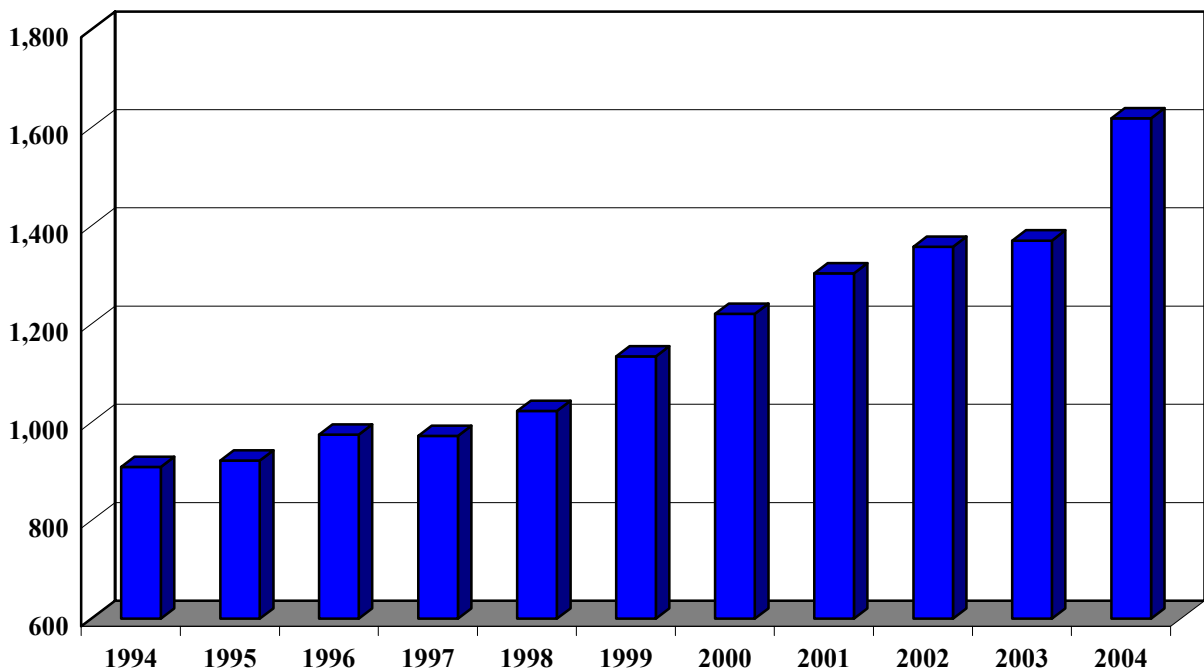


**2003 – 2004 TYPES OF DEGREES CONFERRED**

<b>0.7% Certificate</b>
<b>10.6% Associate</b>
<b>77.7% Baccalaureate</b>
<b>11.0% Master's</b>

During the ten-year period 1994 to 2004, the number of degrees conferred by the University of Southern Indiana has risen over 78 percent, from 909 in 1994 to 1,619 in 2004 (Figure 5 – *USI Degrees Conferred 1994-2004*).

**FIGURE 5**  
**USI DEGREES CONFERRED**  
**1994-2004**



University of Southern Indiana

Since 1994, the Office of Career Services and Placement has conducted a six-month follow-up survey of the most recent graduating class. Information gathered in the survey includes employment information and salary statistics by discipline, the geographic location of graduates, and postgraduate education enrollment. A formal report is prepared and presented annually to the University's Board of Trustees.

Demographic data on the graduating class of 2003 indicate that nearly 84 percent of the degrees conferred by the University were awarded to Hoosier students. Nearly two-thirds (65.2 percent) of the degrees awarded were to students from the 11 counties comprising the southwestern Indiana region. As the University continues to realize increased student retention rates, corresponding increases in graduation rates are anticipated.

In 2003, graduation follow-up surveys were received from 59 percent of the graduates. Survey results included the following:

- 93.5 percent of the respondents were employed or actively seeking employment;
- approximately 67.2 percent of the employed graduates secured new positions as a result of their degree; 32.8 percent were employed in the same position held prior to graduation;
- more than 87.8 percent of the employed bachelor's degree recipients were employed in their field of study;
- of all employed graduates, 90 percent were employed in their field of study;
- 19 percent of the bachelor's degree recipients were attending graduate school;
- more than 37 percent of associate degree recipients were completing requirements for a baccalaureate degree; and
- average starting salary for baccalaureate degree graduates securing new, full-time positions was \$29,657.

Many students receive their undergraduate degree from USI and continue their studies at the graduate level. Within the various academic schools, follow-up surveys are conducted to maintain contact with graduates and to assess the effect of their education on their career choices and professional school performance. The following examples highlight the success of USI graduates:

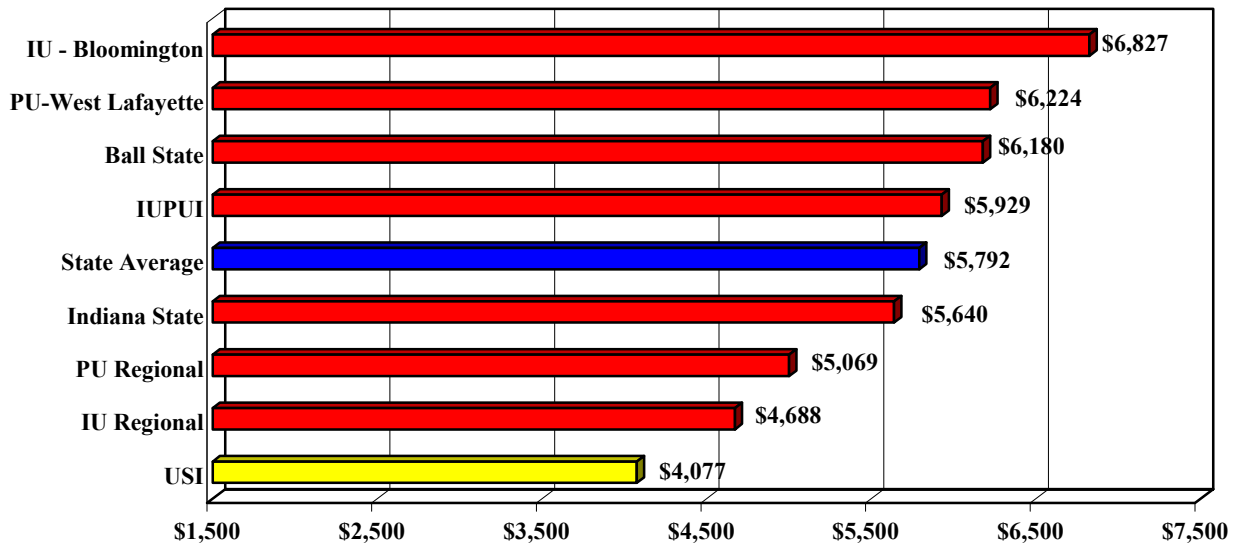
- Eighty percent of the students who graduate from the Pott School of Science and Engineering in pre-professional programs such as pre-medicine, pre-veterinary, pre-dentistry, and pre-optometry and apply to professional schools are accepted.
- Since 1990-1991, all candidates sitting for the National Dental Hygiene Board Examination have successfully completed the examination.
- First-year teachers must complete the Beginning Teacher Internship Program and records are maintained on these teachers. Reports from school districts show that USI graduates perform well as beginning teachers. Since the inception of the Beginning Teacher Internship Program in 1987, over 99 percent of beginning teachers who graduated from USI have passed the program during their first year of teaching. Moreover, USI graduates are now recruited regularly by school districts throughout the midwest, midsouth, and southwest.

# AFFORDABILITY

Affordability of higher education remains high on the list of statewide concerns in the State of Indiana. Students are facing increases in tuition and fees at a time when the economy is weakened and federal and state need-based aid programs are not keeping pace with costs. With this budget document the University of Southern Indiana reaffirms its commitment to continue to provide affordable high quality higher education to the citizens of Indiana. For the foreseeable future, the University intends to maintain its position as the most affordable baccalaureate-degree granting public higher education institution in the state.

As reported by the Indiana Commission for Higher Education, the University of Southern Indiana's tuition and fees for the 2004-2005 academic year are \$4,077. This is \$1,715 or 30 percent less than the average of the other four-year public universities in the state, and \$2,246 or 36 percent less than the other four-year residential campuses. (Figure 6 – 2004-2005 Tuition and Fees at 4-Year Public Institutions in Indiana).

**FIGURE 6**  
**2004-2005 TUITION AND FEES**  
**4-YEAR PUBLIC INSTITUTIONS IN INDIANA**



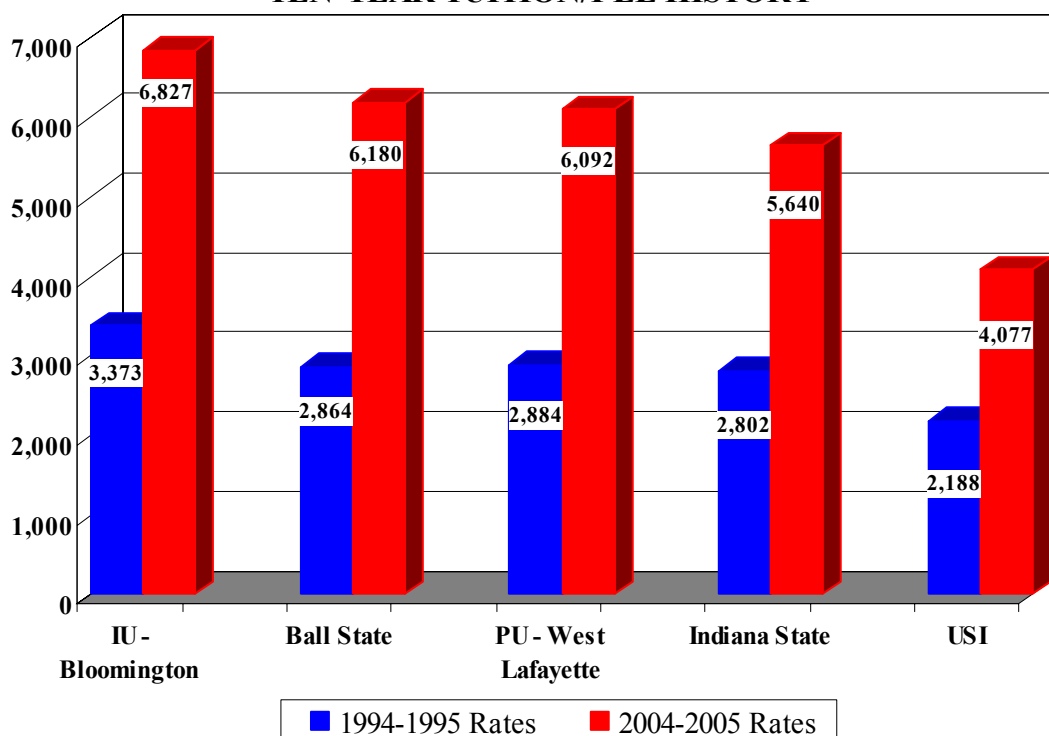
Tuition and fees cover two 15 credit-hour-semesters.

University of Southern Indiana

Cost is a very real barrier to access. Increasing the number of Hoosiers pursuing postsecondary education is a major state goal. To assist the state in reaching its goal of increased participation, the University of Southern Indiana has a long history of maintaining an affordable fee structure. During the last ten years, the University has remained the most affordable baccalaureate-degree-granting institution in the state (Figure 7 – *Public Institutions in Indiana Ten-Year Tuition/Fee History*).

**FIGURE 7**

**PUBLIC INSTITUTIONS IN INDIANA  
TEN-YEAR TUITION/FEE HISTORY**



University of Southern Indiana

While the University of Southern Indiana is committed to maintaining affordability, the University recognizes that the responsibility for accomplishing this goal is shared with other stakeholders who include students, their families, and state and federal policymakers. Financial support is required from each of these constituencies in order to provide the programs, facilities, and support services necessary to fund the increasing enrollments and educational requirements necessary for a high quality educational experience. The University appreciates the partial restoration of the base budget in its 2003-2005 appropriation and requests the balance of the base restoration in the 2005-2007 operating budget request. The University continues to carry

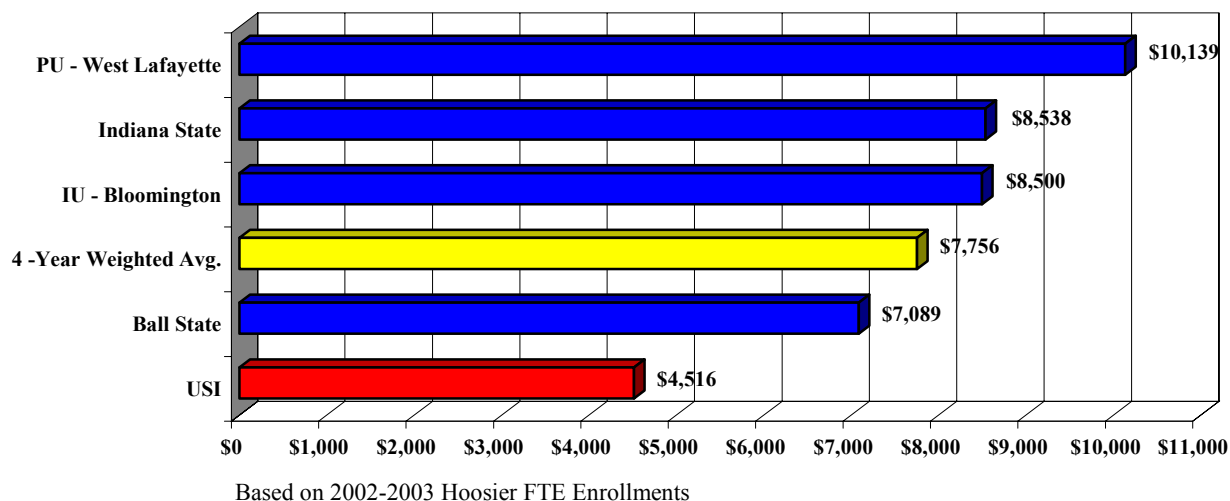
forward the payment delay from the 2001-2003 biennium of more than \$2.5 million and stresses the importance of restoring the full appropriation.

## STATE APPROPRIATIONS

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 and 1997-1999. Because the enrollment funding formula has not been fully funded for the past three biennia, USI has lost more than \$1.8 million. The difference in appropriation per-FTE-Hoosier student is significant. USI receives 58 percent of the weighted statewide average per-FTE-Hoosier student as compared to the other four-year residential institutions. As can be seen in the chart (Figure 8 - *2004-2005 Indiana 4-Year Public Institutions of Higher Education Appropriation per Hoosier FTE Student*), funding per-FTE-Hoosier-student ranges from a high of \$10,139 per-FTE-Hoosier student at Purdue to a low of \$4,516 at the University of Southern Indiana.

**FIGURE 8**

### 2004-2005 INDIANA 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION APPROPRIATION PER HOOSIER FTE STUDENT



University of Southern Indiana

The enrollment funding formula is imperative to a growing campus. To bring USI's funding per-FTE-Hoosier-student in line with the next lowest institution would require about \$2,575 per-FTE-Hoosier-student or about \$19 million. To bring USI's funding per FTE-Hoosier student to the state average would require \$3,240 per-FTE-Hoosier student or about \$24.7 million. The magnitude of this amount has not changed since the submission of the 2001-2003 operating budget request and helps explain why USI finds it so difficult to implement new programs, expand existing programs, or provide even basic services for students.

Additional special appropriation adjustments are needed for any significant progress to take place. Relying on the enrollment formula alone is not enough. The University recognizes there are significant differences in mission between the five four-year residential campuses. Some differences in appropriation per student are justified and appropriate. However, the existence of large disparate differences creates a disadvantaged group of students. The following chart demonstrates the difference in appropriation levels.

### **DIFFERENCE IN APPROPRIATION PER HOOSIER FTE STUDENT**

	<b>2004-2005 Operating Appropriation</b>	<b>2002-2003 Hoosier FTE Enrollment</b>	<b>2004-2005 Appropriation Per Hoosier FTE</b>	<b>2004-2005 Difference in Appropriation Per Hoosier FTE from USI</b>	<b>2004-2005 Total Difference in Appropriation Per Hoosier FTE</b>
<b>USI</b>	<b>\$33,696,185</b>	<b>7,461</b>	<b>\$4,516</b>		
<b>Average</b>			<b>\$7,756</b>	<b>\$3,240</b>	<b>\$24,760,080</b>
<b>Purdue</b>	<b>\$240,172,228</b>	<b>23,687</b>	<b>\$10,139</b>	<b>\$5,623</b>	<b>\$41,953,203</b>
<b>ISU</b>	<b>\$78,929,474</b>	<b>9,244</b>	<b>\$8,538</b>	<b>\$4,022</b>	<b>\$30,008,142</b>
<b>IU</b>	<b>\$195,251,210</b>	<b>22,971</b>	<b>\$8,500</b>	<b>\$3,984</b>	<b>\$29,724,624</b>
<b>BSU</b>	<b>\$124,847,106</b>	<b>17,615</b>	<b>\$7,089</b>	<b>\$2,573</b>	<b>\$19,197,153</b>

Addressing this problem requires changes in state funding policies and a review of the differentials in funding. Included in the University's 2005-2007 Operating Budget Request is a request for a special appropriation adjustment to address the discrepancy in funding per-FTE-Hoosier student. As requested in the past, the University asks that the state provide appropriation adjustments during the next several biennia that would bring USI to 75 percent of the average appropriation of the other four-year residential campuses.

## STUDENT FINANCIAL ASSISTANCE

Overall funding for student financial assistance at the University of Southern Indiana was nearly \$37 million in 2002-2003, an increase of 14 percent or \$4.5 million or over the prior year. Federal student aid programs increased at a rate of 17 percent while the State of Indiana's assistance increased by only 15 percent. Institutional financial aid increased by 17 percent and funding from corporate and private sources was up 21 percent.

The growth in financial assistance is directly related to the University's growth in enrollment. While there have been significant increases in the amount of financial aid awarded, federal entitlement programs, such as the Pell Grant, have not kept pace with inflation.

The average amount of federal loan debt for undergraduate students in the class of 2003 was \$14,142, down six percent from the 2002 class average of \$15,075. Among 2003 graduate degree recipients, aggregate borrowing averaged \$21,697, including both graduate and undergraduate borrowing. This figure also represents a decrease of six percent over the prior year.

In spite of the above decreases in aggregate borrowing, the distribution of aid indicates a continuing reliance on student loans as the primary source of assistance.

### STUDENT FINANCIAL ASSISTANCE BY TYPE

<b>Grants / Scholarships</b>	<b>9,520</b>	<b>\$14,617,038</b>	<b>39.3%</b>
<b>Loans</b>	<b>6,067</b>	<b>20,987,718</b>	<b>56.5%</b>
<b>Employment</b>	<b>1,021</b>	<b>1,548,729</b>	<b>4.2%</b>
<b>Total</b>	<b>16,608</b>	<b>\$37,153,485</b>	<b>100%</b>

Competitive scholarship programs at the University of Southern Indiana are drawing increasing numbers of top students. The primary institutional scholarship offered by the University of Southern Indiana is the Departmental Scholarship. These scholarships recognize and promote academic excellence. Students must be eligible to receive an Indiana Academic Honors Diploma and be ranked in the top 25 percent of their class at the time of application to qualify. Award amounts vary from \$500 per year to full tuition, based upon academic standing, high school grade-point-average, high school curriculum, and scores on either the SAT or ACT.



Departmental Scholarships are awarded upon application to the University and are renewable for four years.

The two most prestigious scholarship programs at USI are the Presidential Scholarship program and the Baccalaureate/Doctor of Medicine (B/MD) program. The Presidential Scholarship program began in 1988 to attract outstanding Indiana students to the University. Ten students are selected for the competitive scholarships each year. Students ranked first or second in their senior class at the end of the fall semester from an Indiana high school are eligible to compete for the full four-year scholarships. The Presidential Scholar program is valued at more than \$40,000 over four years and provides a full scholarship for instructional fees, room, board, and books. Since 1991, 167 Presidential Scholars have earned USI degrees.

The B/MD program offers admission to USI and a provisional seat in the Indiana University School of Medicine - Evansville Center, a full tuition waiver for the undergraduate program, and special opportunities to learn more about medicine as a career, including opportunities to conduct undergraduate research.

The purposes of the B/MD program are:

- to increase opportunities for Indiana residents, especially those who reside in the southwestern and southern portions of the state, to obtain education and training in Indiana University School of Medicine;
- to enhance the state's efforts in medical education, research, and services focusing on medical issues in Indiana; and
- to increase the number of physicians providing medical services to Indiana residents in southwestern and southern Indiana.

This program has attracted a number of exceptionally talented students who have successfully challenged fellow USI students through their leadership in academic pursuits and extracurricular activities.

## **PRIVATE SUPPORT**

An opportunity to have giving from trustees, Foundation board members, alumni, students, families, and employees matched by the Lilly Endowment resulted in a \$4 million

endowment to enhance academics at the University. The response to the campaign was strong in all quarters – 85 percent of trustees or Foundation directors made gifts, 67 percent of employees made gifts, and 12 percent of alumni made gifts. The interest earned by the Endowment for Academic Excellence in the USI Foundation is expected to be nearly \$60,000 in the first year, and those funds will be targeted to meet unmet academic needs.

The University also qualified for a \$1 million Lilly Endowment grant under the Endowment's "Initiative to Promote Opportunity through Educational Collaborations." The grant will enhance economic development and in-state employment opportunities for USI engineering students over a four-year period to December 31, 2007. The innovative grant proposal directs funding to scholarships for students in the co-op program, creates incentives for Indiana employers to offer co-op opportunities, and provides \$200,000 as a challenge for donors to build scholarship endowments to the \$1 million level.

# **EDUCATIONAL QUALITY: ASSESSMENT AND ACCOUNTABILITY**

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The University of Southern Indiana was established in response to community and regional need. Consistent with its mission, the University has developed programs responsive to the realities of the region's economy. Each year the University reviews academic programs in various stages of development and projects the implementation of new programs of study over a ten-year planning horizon. Current academic program offerings have grown and been strengthened in response to regional workforce needs and now include a broad range of undergraduate offerings plus master's degree programs in accountancy, business administration, social work, teacher education, industrial management, liberal arts, nursing, health professions, and public administration.

A strong record of institutional program accreditation has been the hallmark of academic quality at the University. Regional accreditation, conferred upon the University by the Higher Learning Commission of North Central Association of Colleges and Schools, combined with professional academic program accreditation across several disciplines, means that all professional programs offered at the University are fully accredited. The most recent of those have been accreditation of all programs in:

- Teacher Education by the National Council for Accreditation of Teacher Education (NCATE);
- Degree programs in the School of Business by the Association to Advance Collegiate Schools of Business (AACSB);
- Dental Hygiene and Dental Assisting by the Commission on Dental Accreditation (ADAC);
- Respiratory Therapy by the Commission on Accreditation of Allied Health Education Programs (CAAHEP);
- Occupational Therapy Assisting by the Accreditation Council for Occupational Therapy Education (ACOTE);
- Nursing by the Commission on Collegiate Nursing Education (CCNE);
- Communications by the Accrediting Council for Education in Journalism and Mass Communication (ACEJMC); and
- Social Work by the Council on Social Work Education (CSWE).

## **PROGRAM DEVELOPMENT: COMMUNITY AND REGIONAL NEEDS**

The 2005-2007 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 current programs and services, growth in enrollment, plant expansion for approved projects, and quality improvement initiatives to respond to regional workforce needs. To help achieve the goals of the state and of the region, the University of Southern Indiana requests support of its 2005-2007 Operating Budget Request.

The University of Southern Indiana requests support to carry out its mission of providing high quality education services which respond to the needs of the citizens of the state. Enrollment funding has been essential to the institution's growth and remains the University's highest priority; it has been this approach to funding that has enabled the University to respond to workforce needs and to continue to serve an ever-increasing number of students.

Expanding opportunity requires additional resources to strengthen existing academic programs and to attract and retain well-qualified, full-time faculty. In the past several years, new programs were approved by the Indiana Commission for Higher Education with the understanding that new state funds would be requested. Even without state funding, programs such as the baccalaureate degree in Applied Computer Science, the baccalaureate degree in Special Education, the Master of Science in Health Administration, and the Master of Science in Public Administration have been implemented by the University. These programs are making a significant contribution to furthering educational opportunities in fields identified as important to the future of the region and the state. However, future success will require additional resources.

In May 2002, the University received approval by the Indiana Commission for Higher Education to offer the Bachelor of Science in Engineering. The new baccalaureate degree expands the University's ability to help meet the need for engineering professionals in southern Indiana and throughout the region. With essentially no systematic recruitment effort, the engineering program enrolled 112 students in fall 2002 and has a current enrollment of approximately 200 majors. Projected enrollments for fall 2004 are expected to exceed 250 majors, nearly double the enrollments predicted when the program was proposed for approval. The first engineering graduates are expected to enter the job market in 2006.

Although the University has not received any start-up funds for new programs since 1994, 25 new programs, as outlined in the following chart, have been approved by the Indiana Commission for Higher Education. Six of those programs included a notation that new state

funds would be considered in a future budget cycle. Through the state's economic development initiative, included in the University's 2003-2005 operating appropriation, funding was received to help support development of the new engineering degree program.

### **NEW DEGREE PROGRAMS APPROVED AND PROPOSED SINCE 1995**

- 1994 M.S. in Nursing - received start-up funding
- 1995 M.S. in Accountancy \*
- 1996 A.S. in Occupational Therapy Assisting \*
- 1998 B.S. in Exercise Science  
B.S. in Nursing via Distance Education  
B.S. in Health Services via Distance Education  
A.S. in Communications
- 1999 B.A./B.S. in Communication Studies  
B.A./B.S. in Public Relations and Advertising  
B.A./B.S. in Journalism and Computer Publishing  
B.A./B.S. in Radio and Television  
B.A./B.S. in Theatre Arts  
B.S. in Radiologic and Imaging Sciences  
Post-Baccalaureate Certification in Computer Information Systems
- 2000 B.S. in Applied Computer Science \*
- 2001 Master of Health Administration via Distance Education \*  
M.S. in Occupational Therapy \*  
M.S. in Nursing via Distance Education  
B.A./B.S. in Special Education  
B.S. in Radiologic and Imaging Sciences via Distance Education
- 2002 B.S. in Electronic Business  
B.S. in Engineering \*  
M.S. in Public Administration

2003 B.A. in International Studies  
B.A./B.S. in Early Childhood Education

2004 B.S. in Manufacturing Technology - (proposed new degree program with request for funding)

\* Degree programs recommended for consideration for funding by the Indiana Commission for Higher Education

With the implementation of the Bachelor of Science in Engineering, no new students have been admitted into the University's three Bachelor of Science in Engineering Technology degree programs since 2002. A proposed new degree program will consolidate the three engineering technology degrees into a Bachelor of Science in Manufacturing Technology. It is anticipated the program will be submitted to the USI Board of Trustees and the Indiana Commission for Higher Education for consideration and approval in fall 2004.

## INSTRUCTIONAL EFFECTIVENESS

The University of Southern Indiana employed 573 faculty members in fall 2003. Of these, 297 (51.8 percent) were full-time and 276 (48.2 percent) were part-time. A profile of the faculty members by rank follows:

### FULL-TIME FACULTY PROFILE BY RANK, FALL 2003

Faculty by Rank	Fall 2003	
	<i>n</i>	%
<b>Professor</b>	<b>41</b>	<b>13.8</b>
<b>Associate Professor</b>	<b>75</b>	<b>25.2</b>
<b>Assistant Professor</b>	<b>84</b>	<b>28.3</b>
<b>Instructor</b>	<b>97</b>	<b>32.7</b>
<b>Total</b>	<b>297</b>	<b>100.0</b>

Additional demographic analysis of the full-time faculty indicates that 48 percent were female and eight percent were minority. Thirty-nine percent were tenured and an additional 27 percent held tenure-track appointments. All full-time faculty members carry at least a 12-credit-hour instructional responsibility and produce more credit hours per faculty member than other baccalaureate-level public institutions in the state.

All members of the full-time faculty are reviewed annually. Each faculty member is expected to generate an annual report of instruction, research, and service productivity. This report is the primary vehicle for evaluation for promotion and salary recommendations. Probationary faculty members are reviewed according to an established schedule, which includes two performance reviews during the second year of employment. While the University has not adopted a formal post-tenure review system, annual reviews for salary increases are based on meritorious performance, market considerations, and equity studies. Salary recommendations emanate at the department and school level and are reviewed by the provost and vice president for Academic Affairs and the president.

The University operates in highly competitive national and international markets. In recent years, markets in higher education have presented real challenges in the recruitment of new faculty. Every effort is made to offer competitive salaries to new faculty, but in recent years, USI has experienced difficulty in being competitive. As a result, some faculty searches have gone through two and even three cycles before concluding with the hire of a new, qualified faculty member. Furthermore, as the University has offered competitive salaries to new faculty, more senior faculty who have established USI's record of outstanding education, find their salaries losing ground to those of their new colleagues, and to the salaries of colleagues with similar experience on comparable campuses. As an example, full professors at USI slipped in rank from 9<sup>th</sup> to 12<sup>th</sup> in relation to full professor colleagues at 21 comparable institutions in Indiana and throughout the mid-state regions from 2002-2003 to 2003-2004. Even among the newest faculty, assistant professors, average salaries at USI have slipped in rank from 13<sup>th</sup> to 14<sup>th</sup> among the same 21 comparable institutions. While the slippage may seem slight, the negative trend makes it difficult to recruit and retain talented new faculty. To maintain the high quality of education offered at USI, consideration of its competitive stance with regard to salaries is essential.

### **Part-Time vs. Full-Time Faculty**

USI carries out its instructional responsibilities with the lowest appropriation per-FTE-Hoosier-student of any of the residential baccalaureate-level public institutions in Indiana. This helps to explain the heavy reliance on part-time and overload assignments by full-time faculty (35.2 percent of credit hours generated in fall 2003). In one school, more than half of the full-time faculty taught an overload schedule during the 2003-2004 academic year. Historically, the University employed part-time faculty for the express purpose of meeting the needs of part-time, non-traditional students attending in the evening. As enrollments have increased and more traditional students have contributed to the mix, it has become increasingly difficult, if not

impossible, to find properly credentialed part-time faculty to teach basic introductory courses in English, speech, and mathematics. Part-time faculty have helped significantly in many programs, but there are significant challenges in finding qualified part-time faculty in the Evansville region.

The University uses part-time faculty in most academic disciplines for a variety of reasons including institutional flexibility. As enrollments grow, in order to cover additional course sections, part-time faculty are hired to accommodate the short-term need for instructional personnel. Part-time faculty are hired to teach for full-time faculty who are on sabbatical or require release time for research or service. Additionally, part-time faculty provide the University with teaching expertise in very specialized academic areas, particularly in the professional disciplines that may not be easily covered by the full-time faculty. The University has made a conscious effort to provide part-time faculty with the resources necessary to assure that the quality of the curriculum and instruction is of the highest level possible.

The rapid growth and shift from a predominately commuter student population to a more residential campus have tested the adaptability of the University. The development of several new high quality academic and professional programs has increased the University's need to recruit additional talented faculty. In recent years, the success in student recruitment has resulted in faculty taking on teaching overloads to meet the educational needs of new students.

Saturation of the part-time faculty market is only one dimension of the problem. Of the 573 faculty members teaching in fall 2003, 51.8 percent were full-time and 48.2 percent were part-time. The increased reliance on part-time faculty has placed significant additional strain on full-time faculty in the form of added responsibilities for mentoring, academic advising, curriculum development, department, school, and University service, and outreach to the community. The utilization of part-time faculty in such high proportions is not in the best long-term interest of an institution with 10,000 students.

The University seeks support to convert part-time faculty positions to full-time positions. This investment will strengthen the institution's mission of high quality teaching and service to the community, the region, and the state.



## Faculty Recognition and Institutional Initiatives

A number of notable accomplishments were achieved by University faculty and academic support staff during the 2003-2004 academic year, including:

- Dr. Eva Jermakowicz, Professor of Accounting, was awarded a 2003 Fulbright for her work *Convergence of National Accounting Practices and International Financial Reporting Standards* in the European Union.
- Dr. Darrel Bigham, Professor of History and director of Historic Southern Indiana, was appointed by President George W. Bush as one of 15 people in the nation to the American Lincoln Bicentennial Commission, subsequently was elected to chair its education committee, and was instrumental in creating the Indiana Lincoln Bicentennial Commission.
- Dr. Marie Bussing-Burks, Instructor in Economics and Finance, published the book *Influential Economists* detailing the lives and economic philosophies of seven economists who have influenced the course of world events: Thomas Gresham, Adam Smith, Thomas Robert Malthus, Karl Marx, John Maynard Keynes, Milton Friedman, and Alan Greenspan.
- Dr. Kevin Valadares, Assistant Professor of Health Professions, was awarded for Innovative Excellence in Teaching, Learning, and Technology at the 15th International Conference on College Teaching and Learning, April 2004.
- The play *Outlaws* by Elliot Wasserman, Associate Professor of Theatre, was produced by the Spiral Theatre Company at the John Houseman Theatre on 42<sup>nd</sup> Street in New York. The theatre company is dedicated to new work.
- Dr. Leslie Roberts, Professor of French, was awarded the 2003 International Founder's Award for her translation of *Exile in Richmond: The Confederate Journal of Henri Garidel*.
- Dr. Peggy F. Harrel, director of Graduate Studies and Sponsored Research, was selected to serve a three-year term as editor-in-chief of the *Journal of Research Administration*, the quarterly peer review journal of the Society of Research Administrators International.

- Dr. Charles Harrington, Academic Affairs; Dr. Karen Bonnell, Instructional Technology Services; and Dr. Saxon Reasons, Instructional Technology Services, were awarded for innovation and excellence in Instructional Support for Distance Education Teaching by the Indiana Partnership for Statewide Education.

A number of institutional initiatives have furthered the instructional effectiveness of University faculty, among them:

- ***BETA Project*** - Student Evaluations of Teaching (SETs) are a major component of faculty evaluation at USI. SETs provide faculty with valuable feedback from the students and provide faculty with the information necessary to make significant changes to the curriculum and their classroom pedagogies. During the 2003-2004 academic year, the University entered into an agreement with ten institutions throughout the United States to investigate ways to improve student evaluation of teaching. Project BETA (Better Teaching Through Assessment), will provide the University with a framework to more effectively manage the evaluation of and improvements in teaching.
- ***Instructional Technology Services/Distance Education*** - The University has invested significant resources in an effort to provide faculty with the instructional technology and distance education support necessary to provide quality on-line, video, and distributed learning academic courses and programs. Faculty development workshops and instructional design assistance further aid faculty and teaching effectiveness.
- ***Center for Teaching and Learning Excellence (CTLE)*** - Established in 1998 with a grant from the Lilly Endowment, Inc., the Center was created to address faculty development. New faculty orientation, grant programs for pedagogical development, undergraduate research, service learning, and regularly scheduled workshops and seminars are the focus of the Center's offerings.
- ***Service Learning*** - Given the University's mission as an institution characterized by excellence in teaching and regional outreach, faculty embrace service learning as an important vehicle for instructional effectiveness and curricular currency. During the 2003-2004 academic year, USI supported faculty development in the area of service learning.

- **Diversity** - The University continues to devote considerable attention to the ethnic and racial diversity of the faculty. During the past five years (1999-2003), female and non-white males have accounted for 58.7 percent of all new faculty hires.

## STUDENT SUCCESS

While faculty at the University of Southern Indiana carry the heaviest teaching loads of the four-year public institutions in the state, they also serve as mentors and advisors to students in their academic disciplines. Students benefit significantly from this close teaching/learning environment and their success is evident in their scores on licensure examinations, field exams, senior year achievement tests, and success in advanced graduate study. Specific examples include:

- 2003 Trustee's Medal recipient, Walter Jermakowicz, was awarded a Fulbright to study in Munich, Germany for the 2003-2004 academic year.
- Kelli Frosch, a junior majoring in advertising, won the prestigious 2004 Stickell Internship with the American Advertising Federation, one of 10 presented nationally.
- In 2002, Alicia O'Connor was awarded the Legion of Valor Bronze Cross, one of five national awards for superior ROTC cadets.

Surveys of the educational and personal growth of students indicate that the University is preparing students for the workplace, continued academic pursuits, and life beyond the college campus. Responses to the *National Survey of Student Engagement (NSSE)* in 2003 indicate students maintain high levels of satisfaction in selected aspects of the University environment. These findings confirm the emphasis on high quality undergraduate instruction which is central to the mission of USI.

## COMPARISONS OF SELECTED ASPECTS OF THE UNIVERSITY ENVIRONMENT (NSSE 2003)

**Question: To what extent does your institution emphasize the following?**

ACADEMIC COMPONENT	USI SENIORS *	PEER AVERAGE *
<b>Acquiring a broad general education</b>	3.38	3.28
<b>Acquiring job or work-related knowledge and skills</b>	3.08	3.04
<b>Speaking clearly and effectively</b>	3.01	3.00
<b>Analyzing quantitative problems</b>	2.96	2.88
<b>Using computer and information technologies</b>	3.36	3.15
<b>Working effectively with others</b>	3.23	3.12
<b>Used an electronic medium to discuss or complete an assignment</b>	3.07	2.82

\*Mean satisfaction scores based on 5 point Likert-type scale were 5 = very much; 1 = very little

The University's exceptionally high job placement rate for graduates also provides an indication of teaching quality and the educational environment of the University with 90 percent employed in the field of their academic major.

### STUDENT RESEARCH

In direct response to student and faculty requests, the University's Center for Teaching and Learning Excellence developed and implemented two programs in 2001 specifically to increase opportunities for undergraduate students to engage in research with University faculty. The Research, Innovation, Scholarship, and Creativity (RISC) program was established to encourage, support, and publicize undergraduate student research. The program seeks to strengthen the undergraduate experience at the University through the RISC Grant Program. The grant program is a competitive one that provides modest funding to initiate or continue qualifying projects. Students who apply for grants through this program work closely with an experienced faculty member. To date, over \$32,000 has been awarded to more than 150 students. In spring 2002, a second program, entitled the RISC Showcase, was added to provide undergraduate students of all disciplines an opportunity to present, demonstrate, or display their academic works to the University community and the public. At the spring 2004 RISC

Showcase, 74 students presented their work. The Showcase was highlighted by a keynote address and presentation by nationally renowned guitarist, songwriter, studio musician, and entrepreneur Nile Rodgers.

In 2003, the RISC Program launched a third initiative, the RISC Travel Grant Program. This program provides funding for undergraduate students to present their research and creative work at local, regional, and national conferences. Students participating in the RISC Grant Program or Showcase are eligible for funding through the RISC Travel Grant Program. To date, nearly 30 students have participated in the RISC Travel Grant Program.

University faculty routinely collaborate with students on a variety of research projects during the academic year, particularly in the natural sciences and allied health fields. Often times, these research projects are conducted over the academic year or across a number of academic years. The RISC Program also serves as a clearing house for information on projects being conducted at USI as well as for research opportunities off campus.

Undergraduate education at the University of Southern Indiana is characterized by significant contact between students and faculty within and outside of the classroom. Faculty and students frequently are engaged in co- and extra-curricular activities on the USI campus and in the greater Evansville community, including faculty research, service learning, and educational enrichment.

## **STUDENT LEARNING AND OUTCOMES ASSESSMENT**

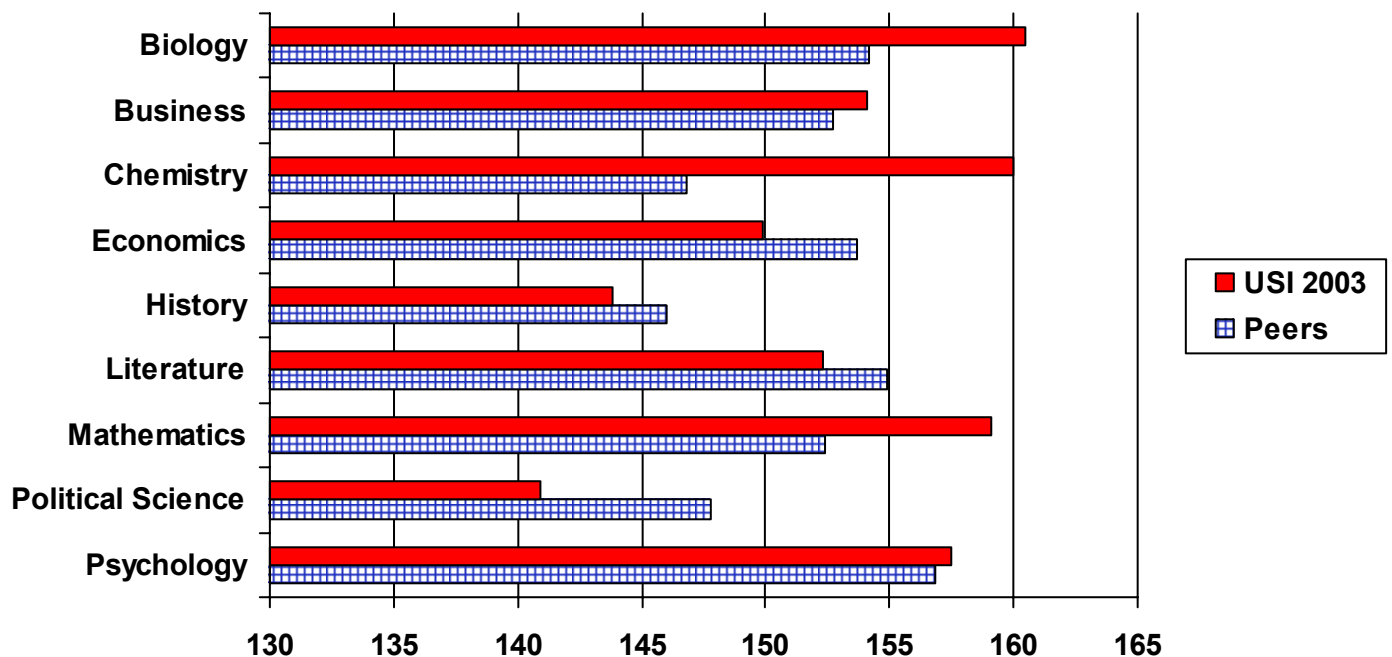
The assessment of student learning outcomes at the University of Southern Indiana has four major components. These are:

- academic characteristics presented by students at the point of college entry;
- the degree to which student learning is affected by exposure to a common core of general educational courses;
- the degree to which student learning is affected by exposure to focused, discipline-specific instruction in the student's academic major; and

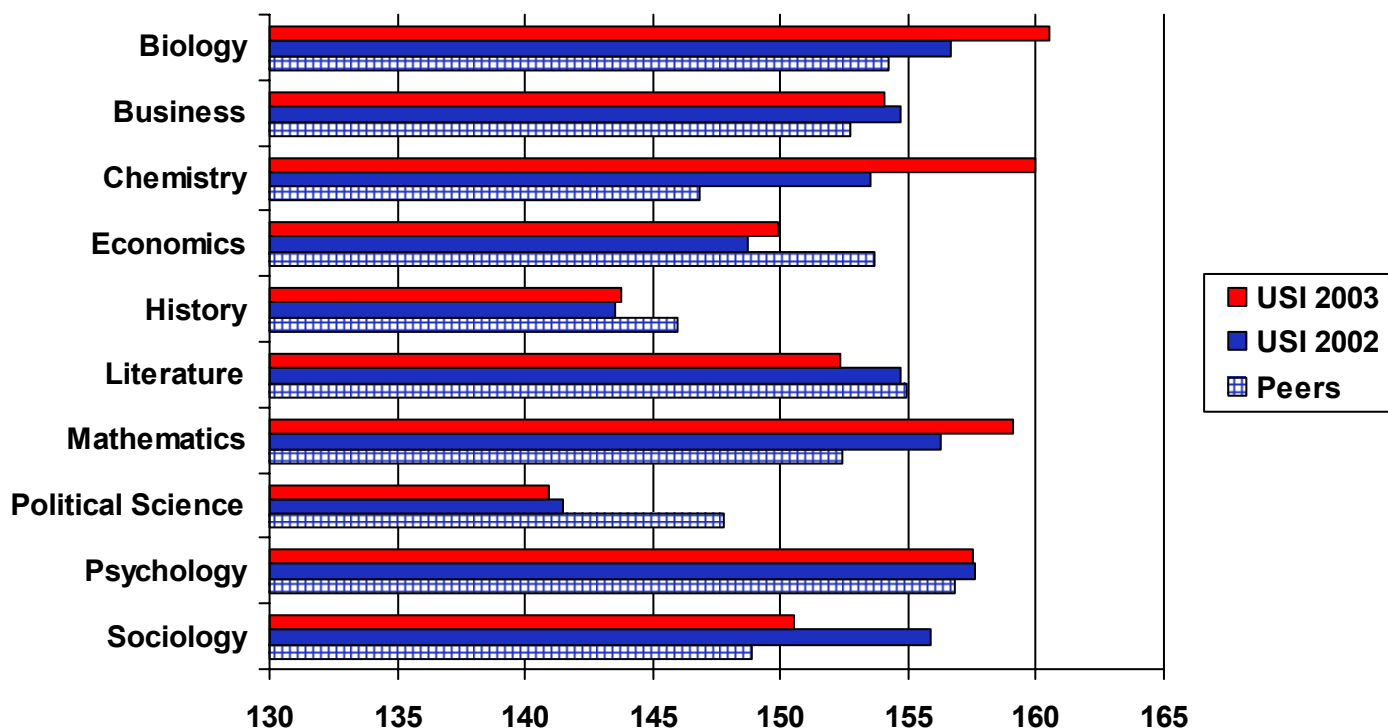
- long-term educational outcomes relative to the degree to which a student's undergraduate educational experiences helped in preparation for civic, social, professional life, and continued life-long learning.

All undergraduate students are tested on general educational knowledge using the Educational Testing Service (ETS) *Academic Profile*. During *Assessment Day*, the University devotes one academic day in November of each year to the assessment of student learning. Every incoming freshman and junior at the University sits for the ETS *Academic Profile*. Senior-level students in thirteen academic majors are tested each fall semester using the Educational Testing Service *Major Field Test*. These data facilitate the assessment of curricular content as well as student learning. The program and degree curricula for students preparing for vocations in professional fields including nursing, teacher education, engineering, and social work are measured in part by licensure passing rates. Measures of student satisfaction with the collegiate environment, student support services, academic support, and extra- and co-curricular activities and programs are supportive of assessment of learning in general education and the academic major.

### 2003 ETS MAJOR FIELD TEST RESULTS FOR SELECTED ACADEMIC DISCIPLINES



**ETS MAJOR FIELD TEST SCORE COMPARISONS  
ACADEMIC DISCIPLINE: USI 2002, USI 2003, PEERS**



The University of Southern Indiana utilizes a variety of measures to evaluate effectiveness and efficiency in achieving its educational goals. Teaching quality is assessed on a continuous basis using student-centered instructional evaluation. This evaluation provides feedback relative to student perception on issues including, but not limited to, curricular currency, clarity of course educational goals and objectives, effectiveness of lecture content and delivery, and usefulness of assignments and projects. University promotion and tenure policies and practices also ensure pedagogical soundness and educational cogency.

Routine academic program evaluation provides detailed discussion of academic quality, instructional effectiveness, faculty productivity, student learning outcomes assessment, and an evaluation of short- and long-term needs. Special focus is given to knowledge and skills development, currency of content and pedagogy, and incorporation of technology.

The University of Southern Indiana is dedicated to undergraduate instruction. As such, the principal focus of academic research conducted by faculty is for the direct benefit of instruction and student learning. Internal research funding mechanisms ensure that students and

student learning are the primary beneficiaries of research and research-related activities. Many upper-level undergraduate students work collaboratively on faculty research projects and share in the presentation of research findings in scholarly conferences and publications.

## **INSTITUTIONAL EFFECTIVENESS**

Measures of institutional effectiveness are necessary in making informed program, policy, and resource allocation decisions. These measures are focused on five areas: internal program and process assessments; benchmarking with comparative institutions; accreditation processes; responsiveness to constituency needs; and outreach and service activities.

Internal program and process assessments are typically longitudinal analyses of institutionally specific and defined measures of institutional vitality, such as applications for admission, headcount enrollment, FTE, retention and graduation statistics, certain financial ratios, transfer rates, full-time and part-time faculty ratios, and faculty and staff turnover. These measures can assist the institution in identifying and monitoring important trends useful in strategic and operational planning activities. Benchmarking activities allow the institution to engage in assessments with other similar and aspirational peer groups. These data typically address key strategic performance on financial, physical capital, human resources, and information management matters.

Institutional and professional accreditation criteria expressly address the issue of measurement and monitoring of institutional effectiveness. Ongoing evaluation of the University's programs, policies, procedures, and practices assure that the institution is operating consistently with its stated mission and purposes.

The University of Southern Indiana serves a number of diverse constituencies and is accountable and responsive to the various needs of its constituents. Its accountability can be appraised in the depth and breadth of service provided by faculty and staff, cooperative partnerships with business and industry, University participation and leadership on issues of economic and workforce development, aiding social service agencies, strengthening K-12 educational systems, and providing an array of programs in the arts and humanities.

## **SUPPLEMENTAL RESOURCES**

The University of Southern Indiana participates in numerous local, state, and national studies. As an institution, internal assessments and surveys are conducted on a regular basis.



The following list of Supplemental Resources is a sampling of reports and studies available upon request from the University of Southern Indiana.

*Academic Department Fact Sheets*

*Academic Profile Score Analysis and Report*

*Faculty Load and Productivity Reports*

*Career Services and Placement Survey of Graduates*

*College Student Needs Assessment*

*Common Data Set (CDS)*

*Cooperative Institutional Research Program (CIRP) - Freshman Survey*

*Credit Hour Distribution Report*

*Delaware Study of Instructional Costs and Productivity*

*Faculty Survey of Student Engagement (FSSE)*

*Freshman Enrollment Trends*

*Higher Education Research Institute (HERI) Faculty Survey*

*Major Field Test Score Analysis and Report*

*National Study of Faculty and Students (NSFS)*

*National Survey of Student Engagement*

*Physical Education Learning Outcomes Survey and Assessment Plan*

*Strategic Performance Indicators Project*

*Survey of Student Opinion*

# TECHNOLOGY

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A central theme of the University's budget request for the past decade has been the need for sustained investment in technology. The state's earlier practice of providing direct funding to support technology initiatives was vitally important to the University's ability to develop a solid campus infrastructure and to expand instructional technology. Elimination of the state's base appropriation in 2001 required the University to implement a technology fee for all students in spring 2003. While this fee replaced the base appropriation, it has not significantly expanded the availability of technology funding. Initiatives to upgrade and enhance technology and its application continue, but do not meet demand or expectations. Careful management of the student technology fee money has enabled the University to make some progress toward becoming a technology-rich campus. Funding for technology is essential, if the University is to achieve and maintain the state-of-the-art technology infrastructure necessary for further instructional and systems development. Moreover, such funding is needed for the University to make headway in helping to address the state's economic and workforce development goals. Recent technology enhancements include:

- The number of computers in campus laboratories increased from 637 in 2001 to 1,015 in 2003.
- The campus wireless network was upgraded to expand mobility and flexibility for students, faculty, and staff in using computers, PDAs (Personal Digital Assistants), and wireless modems anywhere on campus without the limitations of wired connections.
- In 2003-2004, the number of courses offered in a distance education format increased by 36 percent, from 122 in 2001-2002 to 166. Increasingly a wider variety of courses throughout all disciplines are using Web-based components or other instructional technology for a significant portion of the learning experience.
- All USI courses now have an optional online component through the use of the Blackboard online course management system. There were over 10,000 users of the Blackboard system in 2003-2004.

- Twenty-seven instructors have completed the Institute on Online Teaching and Learning, a faculty development program designed to encourage faculty use of technology in instruction with partial funding from SBC. The Institute, now offered biennially, provides intensive technology training in developing online courses and incorporating online teaching and learning strategies in Web-enhanced courses. Short courses on instructional design and uses of instructional technology are offered throughout the year to increase faculty development opportunities.
- Two automated student registration systems using Internet technology are operational and continue to be expanded to provide increased student services from remote sites.
- Student access to personal academic records, financial aid information, campus events, and information about numerous other student services is available via Web Services and through the MyUSI portal.
- Remote access to the University's networks for students and faculty was increased, but remains somewhat limited because of the capabilities of the current system.
- Voyager, the library client server system, continues to be updated to provide more efficient service for such processes as acquisitions, cataloging, and circulation. Library collections were increased with the acquisition of additional electronic databases.
- Major progress has been made with the University's initiative to phase in additional multimedia and distance education classrooms that use state-of-the-art instructional technology. The project has vastly improved the efficiency of the use of instructional technology on campus. Equipment is being installed in classrooms throughout campus as funds become available.
- Additional technical support personnel were added to assist faculty and staff through work on video, audio, and data convergence. With this expertise, the University continues to expand capabilities in streaming video, CD-ROM production, DVD production, and Web hosting for the course management software.

Increased demands are placed on University resources as technology is integrated into all phases of campus instruction, administration, and operations. The impact of change resulting from evolving instructional technology, in teaching and learning processes and in instructional

delivery methods, is far-reaching and profound. Ready access to information and the skills to use information effectively is critical to the success of the University's teaching, applied research, and service missions. The challenges of technology and the shifting emphasis on how technology is used in an information- and knowledge-based society remain critical to the institution's effectiveness.

The need to replace or upgrade hardware and software is ongoing; faculty, student, and staff demands for network access continue to change and expand as technology evolves. New administrative applications are placing greater demand on existing networks and systems. Enhanced multimedia capabilities that impact instruction and faculty research, Internet2 applications, and similar advances in technology are driving expectations from the University community for expanded access. Some of the immediate challenges for USI are how to:

- provide an already highly-productive faculty with the expertise to use instructional technology in the classroom and adapt technology for applied research;
- develop a converged network (voice mail, e-mail, video mail, faxes, instant messaging, paging, etc.) that can reduce the total cost of ownership, while also cutting ongoing costs of maintaining and upgrading the network;
- provide additional broadband access by installing another DS3 Internet connection in order to accommodate increased research applications, expanded demand for distance education, enhance the teaching/learning process, and improve information exchange between the University and client groups, especially students;
- grow the University's network with expanded fiber optic backbone and server capacity; network servers, hubs, switches, and cabling need continual upgrading;
- continue to provide professional and technical expertise for instructional design and development and the necessary equipment and systems to support faculty initiatives in teaching, applied research, and engagement;
- address the shortage of information technology (IT) professionals needed to manage and maintain internal systems and provide in-service training to keep their professional knowledge at industry standards; and

- fund faculty positions and curriculum development needed to respond to the increased demand for instructional programs to meet workforce IT needs.

One serious concern is a basic infrastructure challenge. The present administrative systems, purchased in 1986, are based on a flat-file technology. These systems are being replaced with more efficient applications in a user-friendly environment. Upgrading from a mainframe to a client-server environment will improve database management. It will enhance the ability of students to access biographical data and admissions, registration, and grading functions in a Web-based environment. This will improve the ability of various client groups to access institutional files and enhance administrative operations.

The University is converting its current administrative software system to a new system. The complex implementation process will take approximately three years and will be accomplished with existing staff. The entire project requires a significant commitment of employee time and institutional expense for training and development in order to complete a successful transition to the new system. The new Financial Records System (FRS) and Human Resource System (HRS) will go live in January 2005, followed by the implementation of the Student Information Systems (SIS) and Alumni and Development System (ADS) in 2006. Document imaging and Workflow modules will be installed as time and funding permit.

## **STUDENT AND FACULTY DEVELOPMENT ISSUES**

*Energize Indiana* focuses on four strategic areas of development - life sciences, information technology, advanced manufacturing, and 21<sup>st</sup> Century logistics -- to improve the economic well being of the state. A highly skilled workforce, a solid base of applied research capabilities, and innovative thinking are vital to each of the four areas. The central role of higher education to help the state achieve the desired level of technical competency for Indiana's residents requires a technology-rich learning and research environment. The ability to use technology in communication, problem-solving, and research applications is now an expected outcome of higher education. The development of skills to exploit the opportunities afforded by a knowledge-based, telecommunications-driven environment is an essential part of student development. Increasingly, more students come to campus with a broad range of computing skills and view computing as a basic tool of education. On-campus and remote access to resources such as the Internet, popular software packages, library resources and databases, and email are considered by students as essential University services. Wireless access and new or upgraded computer laboratories, strategically placed throughout campus to provide greater access with expanded hours of availability, remain a strong request.

Student support for technology adaptation and implementation is strong as shown in the spring semester 2004 online survey of 1,300 student users of the Blackboard course management system. Of the nearly 1,000 respondents, 89 percent stated that online availability of course materials supported their learning, while 96 percent reported satisfaction with the online components of courses. Eighty-five percent felt their academic performance was improved through use of the course management system, and 86 percent reported that multimedia classroom presentations were beneficial to the teaching/learning process.

Developing faculty expertise in the use of instructional technology to improve teaching and learning is important to bringing about desired changes, among them cost containment. Continued expansion of these services is a critical faculty development issue for the University. Additional instructional design and technical support staff, appropriate state-of-the-art technology, user services, and resources to adapt existing curricula for technology-based delivery are essential to this effort. For example, many faculty want to develop expertise in Web authoring and in multimedia applications for instruction, but cannot do so because of their own limited technical background.

The state's economic development goals include expectations that universities provide research and development assistance to commercialize knowledge and to provide practical applications of research to address business development needs. For USI to expand faculty applied research and other development initiatives will require additional funding to release faculty from instructional responsibilities as well as to provide support for equipment and technology purchases. It is anticipated that short-term initiatives will include faculty work with advanced manufacturing, information technology and life sciences, and participation in the high-tech incubator in Evansville's new downtown Certified Technology Park in which the University is a partner. Additional resources for training and development provide:

- incentives for faculty to integrate technology into their courses and to pursue applied research initiatives that assist in the economic development of the region and the state;
- training for faculty in potential uses of new and emerging technology;
- training in the use of operating systems, telecommunications, and the Internet; and

- consultation and support for faculty and academic departments in the selection of hardware, software, and media for the most effective delivery of instruction and to promote applied research and engagement agendas.

## INTRUCTIONAL AND PROGRAM DELIVERY ISSUES

USI continues to aggressively develop distance education programming. The use of distance education to deliver quality instruction helps address the state's goal of increasing access and affordability to higher education. The University is an active member of the Indiana Higher Education Telecommunications System (IHETS) and provides programming through the IHETS Learning Centers throughout the state. USI credit enrollment in distance education courses has more than doubled in the past five years.

<b>UNIVERSITY OF SOUTHERN INDIANA DISTANCE EDUCATION HEADCOUNT ENROLLMENT</b>				
<b>Year</b>	<b>Fall</b>	<b>Spring</b>	<b>Summer</b>	<b>Total</b>
<b>1999-2000</b>	661	903	502	2,066
<b>2000-2001</b>	1,074	1,051	539	2,664
<b>2001-2002</b>	1,440	1,467	647	3,554
<b>2002-2003</b>	1,819	2,332	807	4,958
<b>2003-2004</b>	2,467	2,586	*	5,053

\* Information for Summer 2003-2004 available fall 2004

Sustained growth is expected as the University increases the number of programs and services available for distance learners.

USI provides four degree programs for statewide delivery by distance education. These degree programs, other credit courses, and noncredit workforce education programs utilize a variety of distance education technologies including IHETS live television, videotape, Internet-based instruction, two-way interactive television, CD-ROM, and computer diskette. Distance education technologies are used to support both on- and off-campus instruction.

With development of the state's digital backbone, expansion of videoconferencing technology will better position the University to form partnerships with other institutions and K-12 schools. For example, graduate students in the USI/Indiana University Elementary Education

master's program use teleconferencing equipment to attend courses at a distance. High school seniors in South Spencer and Tell City high schools participated in dual credit courses, earning up to 12 hours of college credit. The instructor and USI students meet on campus, with the high school students attending via interactive media. Future plans for distance education include:

- expanding faculty development programs to use the new technologies both on- and off-campus;
- increasing the number of credit courses available to distance learners;
- forging new partnerships with K-12 schools;
- developing courses and programs to enhance job training and skills advancement for business and industry; and
- providing continuing education for professionals and practitioners, including teachers.

## **CONTINUED SUPPORT FOR TECHNOLOGY**

As the University of Southern Indiana responds to the challenges of regional and state economic growth, it is necessary to continue to make investments in technology. There is an ongoing need for funding to upgrade and expand the campus technology infrastructure to meet instructional, applied research, administrative, and operational needs. If the University is to provide the level of support and services comparable to other state institutions, funding for technology, through state support or the student technology fee, is essential. Investments in technology are necessary for the University to make headway in helping to address the state's economic and workforce development goals.



# ECONOMIC AND WORKFORCE DEVELOPMENT

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Indiana policymakers, the business community, and the public expect higher education to advance economic development and meet the needs of the modern workforce. Access to a baccalaureate education is seen as the key to success in the workplace. A high percentage of good jobs in the "new economy" require college-level skills and degrees, and middle class status is increasingly dependent upon at least some college education. More than a guarantee of specific skills or qualifications, employers use attainment of a college degree as an assurance of a baseline level of social and communication skills and the ability to continue to learn on the job. Information-age workers need skills and credentials, not just to better perform their jobs or to make desired career changes, but to maintain employment. There is strong evidence that employers recognize that money spent on training employees is seen as an investment rather than a cost. Organizational spending on workforce education and training decreased during the recent economic downturn, but such investments now seem to be growing, particularly among mid- to large-size employers. The following quote reflects the need for support for higher education and the strong demand from the business community for quality employees.

*"The University of Southern Indiana is a vital player in southern Indiana's economy, working to meet the needs of regional employers and facilitating the work of our economic development specialists. There is no question that our major employers depend heavily on the University to produce capable graduates who can sustain the success of their organizations. For Indiana, and the southern Indiana region, to remain competitive, we need investments by the state in the University of Southern Indiana."*

John M. Dunn  
President, Dunn Hospitality  
Group Ltd.

The state's desired future as a center for new economy opportunities - in life sciences, advanced manufacturing, information technology, and logistics - depends on partnerships between state government, the business community, and higher education, together with substantial investments to promote those partnerships. As demonstrated in other "high skills/high wage" states, real economic development is driven by investments in education -

particularly higher education. Investment in the state's universities can help achieve the goals of lifelong learning and developing a well-trained, well-prepared workforce. For Indiana to realize its economic and workforce development goals, base funding for higher education must be restored and new funding must be expanded.

While Indiana has moved in the right direction, the state's successes are limited. The goal of the Indiana Department of Workforce Development is lifelong learning for all Hoosiers. State workforce policy and funding have been refocused on developing education and higher skills for all levels of the workforce. A well-trained and well-prepared workforce for current and prospective businesses also is a goal of state agencies such as the Indiana Department of Commerce (IDOC), which is developing a new comprehensive economic development strategy based on intrastate regional coordination. Education and workforce development are viewed as key drivers in improving the economic well being of the state. Among other key economic drivers cited in the plan and for which higher education can make significant contributions are regional thinking, globalization, innovation, quality of life, infrastructure, and smart government.

A 2001 IDOC economic and demographic profile of Indiana revealed that the state had one of the lowest percentages of adults age 25 and older with college degrees compared to surrounding states and the nation as a whole. While gains were made in the percentage of adults with a college degree during the 1990s, these increases did not close the gap between Indiana and the national average. Indiana clearly lags behind all of the surrounding states except Kentucky in the percentage of adults age 25 and older with either a high school diploma or a college degree. The report suggests the following:

*"The availability of a well-trained and highly-educated workforce has become a priority and the number one concern for businesses operating in today's global economy. Unfortunately it appears that Indiana does not fare very well in terms of either a well-educated workforce or good labor force availability.*

*The combination of a lack of workforce flexibility and lower educational attainment levels may become a liability for Indiana in the future as the state competes for new businesses and expansions with other locations where the labor force is more flexible and better educated."*

Counter to these educational attainment statistics, the University of Southern Indiana continues to attract a growing number of high school graduates from the region. Since 1985 the

percentage of public high school graduates from the region going on to college has increased dramatically from 33 percent to 78 percent in 2003.

## **INSTITUTIONAL RESPONSE TO ECONOMIC AND WORKFORCE DEVELOPMENT ISSUES**

Throughout its history, USI has been actively engaged in addressing the state's interest in economic and workforce development. There is a consistent record of development and expansion of programs and services in response to or anticipation of needs of the changing economy. The programs and services of the University are a valuable resource as the state strives to diversify its economy and ensure that the skills of the workforce continue to improve. This is demonstrated by the institutional focus on increasing access to higher education for traditional and nontraditional students, development and expansion of educational programs and services to address traditional workforce concerns and new economy requirements, and retention of Hoosier students.

In the five years since the recommendations from the University's Task Force on Economic and Workforce Development, the University has continued to revise or develop new curricular offerings to address educational needs of the new economy: high-skill/high-wage employment, technical and specialty programs, and initiatives that promote better communication, problem-solving, and team-building skills in all curricular areas.

Bachelor's degree programs in engineering, applied computer science, and e-commerce and post-baccalaureate certificates in accounting and information technology were implemented. Other recently implemented programs designed to meet specific state and regional needs are a principal's licensure program, bachelor's degrees in early childhood education and special education, and master's degrees in public administration, health services administration, and occupational therapy. The Bachelor of General Studies degree, the recently revised adult degree completion program, is increasingly popular among those 25 and older who are seeking to earn a degree.

New programs to be implemented in the next biennium include a Bachelor of Science in Manufacturing Technology and a time-shortened Bachelor of Science in Nursing.

The University continues its commitment to expanding distance education opportunities as a way to increase higher education options for adults, incumbent workers, and others with limited access to degree programs. At present, USI offers four degree programs completely by

distance education. Increasingly, all programs are providing at least some components of their curricula in a distance format. University support for instructional design and delivery via telecommunications and assistance to faculty in use of instructional technology continues to increase.

Another initiative of the University resulting from the needs/trends identified through the task force and other studies was renewed emphasis on outreach to regional employers and state workforce development agencies. More emphasis was placed on consulting and assessment activities that resulted in long-term relationships and more consistent workforce improvement programs. Examples of recent and on-going projects include:

- For the past five years, USI has provided leadership training programs for Toyota Motor Manufacturing Indiana, utilizing Carl Perkins grant funds. Even though most of the training is for group leaders and above, some programs reach a large percentage of the workforce, including awareness-building “lunch and learns” and Toyota-specific Job Instruction Training. USI has provided human resource development support to Toyota through three product launches - the Tundra pick-up, Sequoia SUV, and Sienna mini-van.
- The Department of Engineering, the School of Business, and Extended Services customized the Master of Science in Industrial Management as an on-site program for area organizations, with courses meeting at times and in formats to accommodate the schedules of employees. Currently, this degree program has been customized for Bristol Myers-Squibb’s Mead Johnson Nutritional Division and is being offered on-site for 30 managerial employees.
- A long-term employee development program is being delivered for Rockport Roll Shop, an on-site vendor for AK Steel, a steel supplier for its major customer, Toyota Motor Manufacturing Indiana. Courses in quality attainment are offered to support and maintain the company's ISO 9000 designation; leadership and professional development courses are provided for all employees to maintain employee morale and improve productivity.
- A partnership with a regional CPA firm resulted in the development of a certificate program in Maintenance Management. This program targets an unmet need in the region -- helping organizations develop total maintenance plans for their facilities. Public sessions are offered at USI and, through a partnership with the Tri-County

- Consortium, in Henderson, Kentucky. Participants completing the certificate must develop a cost-saving project for their respective organizations, with the savings for the participating organizations already exceeding \$5 million.
- University representatives, with the assistance of the Metropolitan Evansville Chamber of Commerce, secured grant funding from the Indiana Department of Workforce Development to help local tool-and-die companies increase competitiveness through increased use of lean manufacturing methods and techniques. The grant provides training and applied application of lean manufacturing to seven regional companies: Berry Plastics, PPG, General Tool and Die, Fisher Tool, Industrial Tool and Die, Dextrous Tool and Die, and Evansville Tool and Die. Employees who complete the training and demonstrate competence in team projects receive a Certificate of Technical Achievement in Advanced Manufacturing. USI provided assistance to win a similar grant for Infinity Molding and Assembly in Mt. Vernon.
  - Extended Services staff designed a long-term leadership development initiative for Kimball International. The project is designed to grow strong leaders during a time of downsizing and lean operation. With many area jobs being lost to China or sent to foreign facilities, the University is working with Kimball to retain top talent by providing professional development, as well as ensuring that strong leaders are in place during this transition.
  - BWX Technologies and Stewart Warner, two military suppliers in southern Indiana, utilize Extended Services' training through licensed programs such as Development Dimensions International (DDI) and the University's partnership with the local section of the American Society for Quality. Stewart Warner is investing its entire 2004 professional training budget in developing and improving leadership skills with on-site delivery of DDI Interaction Management modules. BWX Technologies looks to the University to supply needed training that is difficult for its parent company, located in Ohio, to provide. Extended Services has custom-designed three sets of training for BWX Technologies: quality management, leadership, and personal development.
  - Other companies for which educational and training programs and services are supplied include ALCOA, Anchor Industries, Berry Plastics, Bristol Myers-Squibb, Gibbs Die Casting, Guardian Automotive, PPG, and West Pharmaceuticals.

## **PARTNERSHIPS**

Partnerships with businesses, industries, and other southwest Indiana employers are an important part of USI's contribution to Indiana's economic and workforce development initiatives. These partnerships take the form of customized credit programs, instruction delivered on-site and by distance education, contract training programs, continuing education programs related to employee development, faculty consulting, and applied research projects.

The University is actively involved in economic and workforce development initiatives of area chambers of commerce, Vision-e, Southwest Indiana Workforce Investment Board (WIB), and the Southwest Indiana Economic Development Council. In 1999, in partnership with the Indiana Economic Development Council, USI convened representatives from Vanderburgh, Warrick, Gibson, and Posey Counties to develop an Economic Development District (EDD) for southwestern Indiana. From this plan and with funding from the four counties and the Indiana Department of Commerce, the Southwestern Indiana Regional Development Commission (SWIRDC) became operational in 2002 and is in the process of seeking EDD status. SWIRDC staff is housed at USI which provides management support for and facilitates the economic and workforce development initiatives of the Commission.

*“Southwestern Indiana has been greatly enriched by the presence of the University of Southern Indiana. By providing affordable public higher education, USI has enabled residents of the area to enhance their skills, qualify for better jobs, and obtain college degrees. The University’s willingness to seek out regional needs and to develop courses, programs, and services to meet those needs has made USI a valuable partner in economic development. The growing pool of university graduates and the availability of quality training programs for incumbent workers has increased the number of high skilled workers. This makes the region more attractive to employers engaged in high technology processes and advanced manufacturing.*

*Equally important is the critical role USI plays as a lead partner and supporter of a variety of economic development activities. USI is the higher education partner in the Certified Technology Park that was recently designated for downtown Evansville. The University provides management support for key regional organizations such as the Tri-State World Trade Council and the Southwest Indiana Regional Development*

*Commission; it also hosts the Region 11 office of the Indiana Department of Commerce on campus. Faculty, staff, and students at the University are broadly engaged in many aspects of regional development. That leadership and commitment provide an invaluable edge for the region and the state.”*

Ken Robinson  
President, Vision-e

University partnerships with state and regional agencies and other organizations in providing selected outreach initiatives also promote the state's interest in economic development, international trade, tourism development, and regional leadership development.

- The University is the higher education partner with the City of Evansville, Vectren Corporation, and Vision-e in obtaining Certified Technology Park designation from the Indiana Department of Commerce for Evansville. The Digital Downtown Project will include a high-tech incubator as well as a broadband internet and WiFi backbone in the central city area to promote the development and expansion of IT based industries.
- The Department of Engineering, Deaconess Hospital, and Orthopaedic Associates, Inc. partnered in forming the Center for Bone and Joint Care (CBJC) to promote and provide for orthopaedic research on bone and joint trauma and the design of implant devices, orthopaedic surgical education for the community as well as emergency medical personnel, and relationships between the partners and various international orthopaedic implant and device manufacturers. The project was initially funded by the Deaconess Foundation.
- In addition to health-related clinical placements and student teaching assignments, the Office of Career Services and Placement provides more than 200 internships with regional employers for USI students from Liberal Arts, Science and Engineering, and Business.
- Extended Services facilitated the formation of the Tri-State Industrial Safety Council (TSISC), a consortium of area employers focusing on improving the level of safety for contractors working at area facilities. The twelve charter members are Alcan Sebree Operations, ALCOA Warrick Operations, American Electric Power, Bristol

Myers-Squibb, Commonwealth Aluminum, Ferro Corporation, GE Plastics, Indianapolis Power and Light, Toyota Motor Manufacturing Indiana, Vectren, Weyerhaeuser Hawesville Operation, and Whirlpool Corporation. Each organization requires contractors to attend the Basic Orientation Plus™ safety orientation and pass the examination to earn a badge that is reciprocal for all TSISC members. The TSISC is housed at USI, with USI providing the safety orientation. From inception of the orientation in September 2003 through June 2004, nearly 5,000 contractors have earned the reciprocal badge, saving participants and organizations time and money by reducing redundant on-site safety orientation.

- USI provides management support for and facilitates the activities of the Tri-State World Trade Council, an alliance of businesses, industries, government agencies, and educational institutions that promotes an international business presence for regional businesses. Planning is underway to transform the organization into a World Affairs Council in order to address a broader range of international topics as well as to provide expanded programs for high school and college students and faculty.
- Historic New Harmony, an Extended Services project of the University, operates a unified program with the Indiana Department of Natural Resources, State Museum and Historic Sites, to preserve, interpret, and manage the heritage, culture, and historic properties of this important site of two historic utopian cultures. Other partners in promoting New Harmony as a destination for heritage tourism and educational and cultural programs include private business interests and foundations, regional agencies, and local government.
- The University's Historic Southern Indiana Project (HSI) is a 26-county alliance of educational institutions, local governments, historic sites, state agencies, and individuals focusing on the development of heritage tourism throughout southern Indiana. HSI provided leadership in developing the Ohio River Scenic Route, now a three-state national scenic byway, and continues to offer administrative and interpretive support to the Ohio River Scenic Byway (ORSB). It also has prepared an application for another scenic byway, Indiana's Historic Pathways, that connects US 50/150 from Lawrenceburg and Clarksville on the east to Vincennes on the west.
- Regional theatre is provided by the USI School of Liberal Arts with the New Harmony Theatre during the summer months. In partnership with the Department of



- Natural Resources, the School also produces Young Abe Lincoln and other summer musicals at Lincoln Amphitheatre in Lincoln State Park.
- USI partners with the Indiana Small Business Development Center (ISBDC) and the Southern Indiana Rural Development Project (SIRDP) to provide a series of entrepreneurship training programs at rural locations in southwest Indiana.
  - The School of Business Center for Business and Economic Research produces the Evansville Fact Book, a report of economic indicators for the region, and produces cost-of-living indices for rural counties in southwest Indiana. It also conducts a quarterly Business Conditions and Outlook Survey (<http://business.usi.edu/survey>) which provides information about business sentiment and plans for hiring, capital expenditures, and selling prices of firms located in the Evansville area. Survey results are used by the Federal Reserve's Bank's 8<sup>th</sup> District representative to provide feedback on the regional economy for the compilation of the District's segment in the Federal Reserve Beige Book.
  - Other School of Business projects include expansion impact studies for Toyota Motor Manufacturing Indiana, a regional hospital, and Evansville Association of Retarded Citizens (ARC). Currently, the Center is working with the Southwest Indiana Regional Development Commission (SWIRDC) on a benchmarking study of the regional economy and an economic impact study of retaining the New Harmony Bridge. The School of Business partnered with four area employers to secure Indiana Department of Workforce Development (DWD) funding to enable workers to upgrade information technology skills and to seek proficiency in computer systems maintenance and management through a new 30-hour post-baccalaureate program. Business faculty and students partner with the Internal Revenue Service to provide the Vita Program locally. Faculty and students provide three hours per week during tax seasons to help low-income taxpayers prepare tax-return forms.
  - Several partnerships with local health providers including the region's two largest hospitals (Deaconess and St. Mary's) make possible clinical placements in the nursing and health professions. The School of Nursing and Health Professions engages in a variety of projects with pharmaceutical companies to educate health care professionals. The most significant is with DuPont which funded the development of an Anticoagulation Therapy Management Certificate program to provide continuing

education for practitioners. To date, program participants have come from 47 states and four countries.

- USI, in cooperation with the Indiana University School of Medicine - Evansville Center, established a Baccalaureate/Doctor of Medicine (B/MD) program. This program, available only to a limited number of academically talented students, offers joint admission to USI's pre-medical program and, provisionally, to the Indiana University School of Medicine - Evansville Center. In the first four years, the program has enrolled the maximum students, six each year, attracting some of Indiana's most academically gifted students.
- The Department of Geology partners with geologists at Washington University and the University of Memphis in a seismic monitoring project. This collaboration generates data useful for land-use planning, emergency management, and building code development.
- Partnerships with area middle and high schools engage faculty from the Bower-Suhrheinrich School of Education and Human Services in collaborative projects to improve the teaching and learning process and provide in-depth field experiences for teacher education students. The School developed a grant-funded project in partnership with school districts in Posey, Vanderburgh, and Warrick counties to recruit non-teaching professionals to a transition-to-teaching program. Sixteen students completed the program in 2003; fifteen in 2004.
- The Social Work Department has developed extensive outreach partnerships with social agencies and community education providers to improve information and services for older citizens. A grant from the Hartford Foundation has funded a variety of service learning and outreach projects for students and faculty to create awareness of the needs of seniors and programs to keep seniors connected to the community.

## **RETAINING GRADUATES**

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 student's skills and work ethic. Many of these experiences lead to full-time employment after graduation. The University estimates that more than 60 percent of its students are employed while attending college and about half of that number work in excess of 20 hours a week. These work experiences also can lead to permanent employment. USI strives to keep its graduates employed in the thriving southern Indiana economy.

Each year, the USI Office of Career Services and Placement surveys the graduating class to determine the placement rate in field of study, beginning salaries, and geographic location. For the Class of 2003, nearly 86 percent live, work, and use services in Indiana. Seventy-four percent accepted employment within a 60-mile radius of USI.

Further, a national and state shortage of teachers is predicted. The high demand is prompting responses from government and higher education institutions, creating alternative teacher certification methods to quickly place teachers in the classroom. Many people are turning to teaching as a second or later-in-life career. The University of Southern Indiana has responded to this need and has implemented a fast-track certification program for people with academic preparation in high-need disciplines.

In addition, the institution continues to provide a wide range of non-degree programming in the form of workshops, training programs, on-site delivery, and seminars designed to respond to business and industrial needs. Of the more than 9,000 people who enroll annually in noncredit courses, more than 7,000 participate in education and training programs provided by USI's Organizational and Professional Development Group.

# **MAXIMIZING RETURN ON STATE INVESTMENT THROUGH INTERINSTITUTIONAL COOPERATION**

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The University of Southern Indiana was the first Indiana baccalaureate-level institution to provide articulated programs for Ivy Tech State College graduates. These agreements paved the way for other Indiana institutions to implement transfer programs. In keeping with its past leadership role, USI is expanding and refining existing agreements with Community College of Indiana partners, Ivy Tech State College and Vincennes University. This cooperation will expand access to higher education and enhance the ability of Indiana students to succeed, whether through referral for preparedness training, articulated programming, shared instructional sites, or workforce development partnerships.

The University believes that collaborative use of all higher education resources is necessary if the state's goals of expanding access to higher education and preparing a skilled and educated workforce are to be met. Also, it has become increasingly evident that a regional approach to addressing workforce education and skills deficiencies is required if the southwestern Indiana economy is to remain lively and competitive. Although the University's most active two-year college partnerships have been with Vincennes and Ivy Tech State College, the University is expanding agreements with all community colleges within the University's service area, including western Kentucky and southern Illinois, from which a sizeable percentage of the southern Indiana workforce is drawn. Delivery of degree-completion and upper-level programs via distance education technology to community college campuses and learning centers is being expanded.

The University has successfully implemented agreements for under-prepared students to enroll first in Ivy Tech State College to take appropriate developmental courses prior to enrolling in USI programs. Now in its seventh year, the OPTIONS Program with Ivy Tech State College will enroll more than 100 under-prepared students in fall 2004. By using the developmental education expertise of Ivy Tech State College, these students can be better prepared to achieve their goals within the Indiana higher education system and to successfully enter the workforce.

Articulation agreements are in place with Community College of Indiana institutions -- Ivy Tech State College and Vincennes University -- in southwestern Indiana and throughout the state. There are 12 articulation agreements with Ivy Tech State College and more than 40 two-plus-two articulation agreements with Vincennes University. The University is a member of the

Statewide Transfer Articulation Committee which seeks to continually expand articulation programs between colleges and universities throughout the state.

## **RECIPROCITY**

A reciprocal agreement between Kentucky and Indiana, developed between the Indiana Commission for Higher Education and the Kentucky Council on Higher Education, provides an opportunity for the residents of Daviess, Hancock, Henderson, and Union counties in Kentucky to attend the University of Southern Indiana while paying "in-state" tuition and fees. In fall 2003 407 undergraduate students took advantage of the reciprocity program.

In an effort to provide greater access to non-resident students, the University of Southern Indiana also has established a fixed fee waiver for eligible students in Kentucky and Illinois pursuing an undergraduate degree or certificate. This program is open to both new freshmen and new transfer students who are permanent residents of, or who are transferring from a college located in, the designated counties.

- Kentucky counties include: Ballard, Caldwell, Crittenden, Hopkins, Livingston, McCracken, McLean, Ohio, and Webster.
- Illinois counties include: Alexander, Clay, Clinton, Crawford, Edwards, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson.

A total of 336 undergraduate students took advantage of this program during the 2003 academic year.

## **INDIANA COLLEGE NETWORK/INDIANA PARTNERSHIP FOR STATEWIDE EDUCATION**

The University of Southern Indiana is a member of the Indiana College Network, a collaborative effort by Indiana colleges and universities that make up the Indiana Partnership for Statewide Education. Each semester the University joins the other partner institutions to create the Indiana College Network Database of Courses available online. The USI Department of Distance Education consults with academic departments, public groups, business and industry, and other educational institutions to develop a broad range of offerings – credit courses,

certificate programs, and special programs for K-12 teachers and students, and adult learners. USI follows the distance education guidelines established by the Indiana Commission for Higher Education, the North Central Association of Colleges and Schools, and the Western Interstate Cooperative for Higher Education.

## **PROGRAM DEVELOPMENT PHILOSOPHY**

The University's approach to the development of academic programs is predicated on meeting the current and emerging needs of the region and institutional stakeholders. Regular and focused engagement with the University's service area assures that academic administrators are fully aware of the program, disciplines, and skills necessary to provide an able regional workforce. Only those programs that meet current and expected demand are developed and implemented. Recent examples of programs developed in response to meet regional needs are engineering, nutrition, applied computer information systems, automated manufacturing, health administration, and public administration.

Attention to program quality also is considered during development. The University has earned disciplinary-specific program accreditation for every academic program for which the institution is eligible. The University will seek accreditation through the Accreditation Board for Engineering Technology (ABET) for the Bachelor of Science in Engineering degree program in fall 2006 following the graduation of the initial student cohort.

As new programs are developed and added to the University's curricular offerings, the institution partners with other colleges and universities to develop correlative and seamless articulation agreements that meet the needs of students and the University's service area. The University of Southern Indiana is a model of cooperation and planning relative to articulation and transfer credit agreements with other institutions.

## **INSTITUTIONAL ASSESSMENT PRACTICES**

The University has developed and implemented a number of assessment and evaluation practices that assure effectiveness and efficiency of operations. Currently, the University is in the early stages of self-study for reaffirmation of accreditation from the Higher Learning Commission of the North Central Association of Colleges and Schools. The onsite review is tentatively scheduled for fall semester 2006. Over the next several months as part of the comprehensive self-study process, University faculty and staff will review programs, services,

processes, and operational activities with an eye toward documenting effectiveness and planning for improvement.

Benchmarking programs and services has been beneficial to program development and improvement. The University routinely uses national benchmarks from the National Association of College and University Business Officers (NACUBO), National Association of Student Personnel Administrators (NASPA), Consortium for Student Retention Data Exchange (CSRDE), Association of University Professors (AAUP), College and University Personnel Association (CUPA), and other national associations and organizations. Benchmarking provides data and information useful in planning processes aimed at positioning the University to be more competitive, especially in terms of faculty and staff workload and compensation.

During the 2002-2003 academic year, the University's Board of Trustees adopted a set of policies resulting from the federal Sarbanes – Oxley Act of 2002 legislation. Although this federal legislation does not apply to institutions of higher education, the spirit of the Act provides the University with a rigorous internal auditing and reporting controls function. On-going, comprehensive auditing of University business operations assures compliance with all state and federal regulations and institutes good standards of practice.

Since 1996, the University has maintained a cycle of institutional research studies directed at providing data and information to assist institutional planning and decision making. Regular studies of student opinion, retention and graduation statistics, program enrollment characteristics, faculty workload and productivity, alumni outcomes, and student engagement provide a rich data resource used widely by decision makers, both institutional and academic.

As a result of its ongoing assessment and evaluation practices, the University has identified three areas within academic affairs that warrant additional attention:

- ***Service Learning*** - Findings of the University's participation in the 2002 National Study of Student Engagement (NSSE) reveal that both incoming freshmen and seniors desire additional opportunities for experiential learning. Faculty sentiment echoes student interest. Professional development workshops have attracted significant faculty interest and involvement in service learning. Given the heightened focus of the institutional mission on outreach and engagement, the University is integrating service learning into the curriculum. In 2003, the University became a member of the Indiana Campus Compact; appointed a university-wide committee to

give additional consideration to this need; and has expanded its undergraduate research programs to accommodate this growing interest.

- ***Writing Across the Curriculum*** - During the past three years, a task force of faculty, staff, and students has been studying the issue of writing across the curriculum. Results of student surveys, institutional research studies and faculty dialogue, indicate a desire for increased attention to this issue. The challenge of and need to integrate writing into 300- and 400-level courses is particularly acute. The redesign of courses will begin during the 2004-2005 academic year with workshops scheduled for summer 2005.
  
- ***Academic Program Review*** - A regular cycle of academic program review provides data and information useful to improve programs and services and maximize efficiency. During the 2003-2004 academic year, a committee was convened to conduct a thorough evaluation of the University's practices relative to academic program review. As a result of the appraisal, two major issues surfaced:
  - the need for increased attention to documenting student learning outcomes assessment activities at both the course and program level; and
  
  - the need to link program review findings to operating budget requests.

The guidelines for academic program review have been modified to meet these concerns.



# QUALITY IMPROVEMENT INITIATIVES 2005-2007

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The University of Southern Indiana requests quality improvement funds to support the development of three new initiatives needed to serve regional workforce and economic development demands. The support provided will assist the University in planning and implementing new programs and strengthen the institution's commitment to service to the region and the state. The funding received from the state's investment in quality improvement initiatives is critical to the University of Southern Indiana. The University's state appropriation per-FTE-Hoosier student is one of the lowest in the state. To develop new programs without start-up funding is a major challenge in light of the low institutional funding base and USI's continued growth in enrollment growth. The investment of the state in specialized programs and initiatives allows the University of Southern Indiana to fulfill its mission to the region and the state.

The University appreciates the state's investment during the 2003-2005 biennium in its request for funding for engineering equipment and program needs. In May 2002, the University received approval to offer the Bachelor of Science in Engineering. With essentially no systematic recruitment effort, the engineering program enrolled 112 students in fall 2002. During the 2003-2004 academic year, the program had an enrollment of approximately 200 majors. Enrollments for fall 2004 are expected to exceed 250 majors, nearly double the anticipated enrollments. The support provided by the state has allowed the University to invest in infrastructure for the program and to meet recurring programmatic needs. Students in the program are participating in internships and cooperative work experiences and will be in high demand upon graduation.

The University's request for quality improvement funds in 2005-2007 supports three important initiatives:

- development of the *Center for Applied Research and Economic Development*,
- implementation of the new *Bachelor of Science in Manufacturing Technology* degree program; and
- establishment of the *Accelerated Baccalaureate Professional Nursing Education Program*.

Each of these initiatives responds directly to expressed workforce needs of the southwest Indiana region and the state. Quality improvement funding support will enable the University to

develop needed programs and initiatives to respond to critical workforce and economic development needs.

## **CENTER FOR APPLIED RESEARCH AND ECONOMIC DEVELOPMENT**

The University of Southern Indiana believes strongly that applied research activities, accomplished through partnerships with public and private sector enterprises, will have a powerful impact on improving the overall economic climate and job growth in southwestern Indiana and the state. The University of Southern Indiana emphasizes teaching and interaction between faculty and students; the University favors need-based applied research rather than basic research and is responsive to community needs. As a public institution, the University of Southern Indiana counsels both business and industry and social, educational, governmental, and health agencies to higher levels of efficiency and improved services.

House Enrolled Act 1434 included the creation of the Southwestern Indiana Technology Transfer Program administered by the University of Southern Indiana. To fund the establishment and operation of the program, the statute included that grants would be made available through the technology advancement and retention account. The University plans to develop and implement a ***Center for Applied Research and Economic Development*** to establish the technology transfer program and to address a broader range of applied research and economic development needs throughout southwestern Indiana.

The Center for Applied Research and Economic Development will enable the University to contribute more actively to the general economic well being of southwestern Indiana and the state to help grow jobs. The Center will coordinate university resources to assist business, industry, governmental agencies, and entrepreneurial groups in a variety of applied research, technical assistance, development, and educational and training activities. It will link applied research activities with specific economic development needs and will focus on projects that address quality of life issues through:

- *growth of new high-skill/high-wage jobs;*
- *retention and expansion of existing industry;*
- *diversification of the economy;*
- *enhancement of workforce development through assessment, job-analysis, and training initiatives;*
- *creation of an entrepreneurial climate;*
- *provision of research to support sound decision-making;*

- *adaptation and development of new products, processes, and technologies to increase productivity and competitiveness; and*
- *promotion of economic and leadership development in the region's rural areas.*

The University's expertise in a variety of high-tech areas such as engineering, computer science and information systems, radiologic and imaging sciences, life sciences, physical sciences, earth sciences, communications, and e-commerce will be made available to existing and prospective businesses.

The resources of the University include:

- faculty expertise and knowledge in a broad range of scientific, technical, engineering, managerial, and educational and training areas;
- a history of successful partnerships with business and industry in the region;
- state-of-the-art facilities for research and technological support; and
- regional linkages and networks throughout southwestern Indiana.

The availability of these resources makes the University uniquely qualified to contribute to the expansion and diversification of the economies of southwestern Indiana and the state.

## **CENTER OBJECTIVES**

The objectives of the *Center for Applied Research and Economic Development* will be:

- to work closely with the Southwest Indiana Regional Development Commission, other regional economic development districts, and the Indiana Department of Commerce Region 11 office to support interactive networks of organizations involved in economic development, technological research and transfer programs, and job creation activities;
- to partner with the City of Evansville, Vision-e, and Vectren Corporation to implement the recently designated Certified Technology Park in downtown Evansville and to coordinate University activities for the Park, including faculty consulting, technical assistance, and instructional programs for businesses located within the Park;

- to organize projects with small- and medium-sized businesses and industry that utilize the expertise of faculty to solve problems in manufacturing, information technology and e-business, industrial design and production, management practices, and training;
- to encourage industry and University cooperative ventures that promote innovative, entrepreneurial, and inventive approaches to technology transfer among small- and medium-size businesses;
- to facilitate the transfer of new processes and technology developed through partnerships between private industry and the University; and
- to develop linkages and referral networks with other Indiana organizations with the expertise to provide assistance not available at USI or within the region.

### **Applied Research Activities**

The following examples of applied research activities, either completed or in progress, illustrate the kinds of expertise the University can offer to area businesses, governmental agencies, and entrepreneurial groups to enhance economic development and job growth throughout the region.

- The Center for Business and Economic Research will provide a cohesive framework for conducting research activities that are integral to the economic transformation of USI's service region. Emphasis will be placed on the transfer and application of research insights and methods for the improvement of USI's service area. Activities will include conducting research related to key industry clusters, the transfer of technology to firms in the region, and benchmarking studies.
- Retention of a significant regional industry cluster is the focus of a project being conducted by USI in partnership with the Metropolitan Evansville Chamber of Commerce and the Southwest Indiana Regional Development Commission. Funded in part by the Indiana Department of Workforce Development (DWD), the project assessed current business practices and workforce skill needs of the tool and die industry. A pilot project in advanced process improvement techniques is being provided for seven employers in an effort to improve productivity and competitiveness. The Evansville-Vanderburgh School Corporation and Ivy Tech State College - Evansville will use assessment information to plan for curriculum development and equipment purchases for their new buildings. State and federal

funding will be sought to replicate the training project for other regional industry clusters, such as plastics and auto manufacturing.

- The USI Department of Engineering, Deaconess Hospital, and Othopaedic Associates, Inc., partnered to form the Center for Bone and Joint Care (CBJC) to promote and provide for orthopaedic research on bone and joint trauma and to design and develop related implant devices. The Center also will provide orthopaedic surgical education programs for the community, emergency medical personnel, and orthopaedic implant and device manufacturers. The project is initially funded by a grant from Deaconess Foundation.
- A partnership between USI, local government officials, health departments, the Environmental Protection Agency, Indiana Department of Natural Resources, and emergency preparedness agencies in Vanderburgh, Warrick, Posey, and Gibson counties was formed to provide data to analyze past and current growth trends and their impacts on environmental quality and infrastructure issues. USI faculty used these data to extrapolate models for future growth and impacts in order to provide a basis for land use, transportation, and other infrastructure planning.
- In response to requests for educational programs to improve managerial and technical skills needed for increased productivity and competitiveness, a Master of Science in Industrial Management degree program was customized for on-site delivery at Rexam Closures and Bristol Myers-Squibb's Mead Johnson Nutritional Division.
- The USI School of Nursing and Health Professions, the Indiana University School of Medicine - Evansville Center, and GFI Research Center have developed a partnership to plan a Center for Application of Genomics Technology. The Center will include the establishment of a commercially viable genotyping laboratory. USI will develop educational programs for health care providers and the community. The feasibility of developing a bachelor's degree program in genomic technology will be assessed. Technical support will be provided to further develop and expand pharmaceutical clinical trial studies in the regional area.

The *Center for Applied Research and Economic Development* will have an immediate impact on the economic well-being of the southwestern Indiana region. Through the expansion of existing University services and the development of new and innovative activities, the Center will strengthen the economic future of the region.

## **FUNDING REQUEST**

The total funding request for the *Center for Applied Research and Economic Development* is: \$275,000 in FY 2005-2006 and an additional \$250,000 in FY 2006-2007 for a total of \$525,000 in the second year of the biennium.

Once established, the Center will seek additional support through fees charged for services provided, gift funds from business and industry, grants from federal agencies and state and regional foundations, and income from products developed from Center initiatives that can be commercialized.

## **BACHELOR OF SCIENCE IN** **MANUFACTURING TECHNOLOGY**

The University of Southern Indiana received authorization from the Indiana Commission for Higher Education to offer a Bachelor of Science in Engineering degree beginning in fall 2002. At the time the program was approved, it was agreed that the University would phase out its engineering technology programs over a four-year period and consolidate them into a new Bachelor of Science in Manufacturing Technology. Since fall 2002, no additional students have been admitted into USI's three Bachelor of Science in Engineering Technology programs. Currently under development is the University's request for a new Bachelor of Science in Manufacturing Technology to be submitted to the Indiana Commission for Higher Education for approval in fall 2004.

The proposed degree program evolved from recommendations made by the Indiana Commission for Higher Education on March 8, 2002, during the approval of the Bachelor of Science in Engineering program.

*“The University of Southern Indiana should retain its B. S. in Engineering Technology program with either its existing options of Civil Engineering Technology, Electrical Engineering Technology, and Mechanical Engineering technology, or a consolidation of these degrees into a B. S. in Manufacturing program.”*

The proposed program is designed to prepare students for employment in the manufacturing sector as skilled technologists. Graduates of the program will have a thorough understanding of contemporary manufacturing processes and how products are designed, produced, and tested. In addition, graduates will learn project management, quality assurance methods, and the economics of manufacturing. They will acquire a broad base of skills to function in an advanced manufacturing environment. Students who graduate from the manufacturing technology program will fill a critical need for trained technologists in an area of the state which has a high concentration of advanced manufacturing companies.

Indiana workforce statistics indicate the accelerating demand for trained technicians and technology graduates in the manufacturing field due to the increased “high-tech” capabilities required in advanced manufacturing techniques. In the Evansville area are several companies which are leaders in advanced manufacturing including – Toyota Motor Manufacturing Indiana



and its suppliers, AK Steel, George Koch Sons, ALCOA, Whirlpool Corporation, PPG Industries, Integrated Energy Technologies, Guardian Automotive, and Rexam Closures. Contacts with representatives of these companies through the USI Engineering Department's advisory board indicate the demand for technically-trained personnel will increase.

The existing engineering program includes instruction in some of the basic areas of manufacturing technology; some of the necessary learning resources in library and laboratory are presently available. These resources include: Computer-Aided Design (CAD) Laboratory, Programmable Logic Controller (PLC) Laboratory, Electronics Laboratory, Materials Laboratory, Fluids Laboratory, and Machine Shop. With the quality improvement investments from 2003-2005, upgrades to these laboratories are ongoing. Important to the success of the program is the addition of an Automated Manufacturing laboratory. The facility will be needed in the third year after implementation of the program. The facility would provide hands-on applicability of the program and enhance the employability of graduates to industrial employers. Included in the University's 2005-2007 Capital Improvement Budget Request in the proposed School of Business/General Classroom Building is a request for specialized laboratories for the Manufacturing Technology program.

Enrollment in the manufacturing technology program is expected to come from two distinct areas – incoming freshmen and transfers from the phased-out engineering technology program and the existing industrial supervision and engineering degree programs. Students in two-year manufacturing and similar programs should be able to transfer into the proposed program without loss of credit through a modification of the existing articulation agreements with Vincennes University and Ivy Tech State College. The University anticipates cooperative arrangements (2 + 2 programs) with Ivy Tech State College, Vincennes University, and Henderson Community College of Henderson, Kentucky. Two-year manufacturing technology programs exist at these institutions and each has expressed an interest in developing articulation agreements with the four-year degree program.

There are ABET-accredited Computer Integrated Manufacturing Programs at IUPUI, Purdue University Calumet, IUPU Fort Wayne and Purdue University in the State of Indiana. There also are 24 ABET-accredited Manufacturing Engineering Technology programs in the United States including Purdue University Calumet. No manufacturing technology programs exist in the southern Indiana region.

The Bachelor of Science in Manufacturing Technology program is designed to meet the needs of students who seek careers in manufacturing technology and area employers who seek

manufacturing technology graduates who have a thorough understanding of the manufacturing process. The availability of this new program will help promote continued economic development in southern Indiana and throughout the region. It will provide the kind of training that will produce graduates with high-tech skills who can meet the workforce needs of a changing world economy.

The proposed program will be implemented beginning in the fall of 2005 and designed to prepare graduates to enter the manufacturing field immediately upon completion of the degree requirements. A substantial benefit of the program will be the increased number of students available for cooperative work assignments and in senior projects for local industry.

To successfully implement the new Bachelor of Science in Manufacturing Technology degree program, the University of Southern Indiana requests quality improvement funds in the 2005-2007 biennium for faculty and programmatic needs.

## **FUNDING REQUEST**

The total funding request for the Bachelor of Science in Manufacturing Technology is: \$125,000 in FY 2006-2007.

## **ACCELERATED BACCALAUREATE** **PROFESSIONAL NURSING EDUCATION PROGRAM**

The shortage of nurses is a major challenge for health care providers in the Indiana, Illinois, and Kentucky tri-state area. The University of Southern Indiana serves southwestern Indiana where the majority of the counties in the region are either totally or partially designated as a medically underserved area (MUA). Many counties also have been designated Health Professional Shortage Areas (HPSAs). The health status of the residents of this geographic region is below the targeted rates for the national *Healthy People 2010* objectives. The southern Indiana region is predominately rural, with a lower socioeconomic populace than the state or nation. The population in the region exceeds the national average of 12.4 percent for individuals aged 65 and older. In addition, the population exceeds the *Healthy People 2010* target rates for cardiovascular disease, cancer, and infant mortality.

Evansville, with two major medical centers which are developing new specialty units, is a regional provider of medical services. The nursing shortage in the State of Indiana is estimated by the Health Resources and Services Administration (HRSA) to be 12 percent in 2005 and will increase steadily to 31.5 percent by 2020. The establishment of the Accelerated Baccalaureate Professional Nursing Education Program at the University of Southern Indiana will provide individuals with a previously earned non-nursing bachelor's degree the opportunity to complete requirements for a second degree in nursing within 16 months of enrollment in the nursing program. Students who attend the University of Southern Indiana nursing program traditionally remain in the tri-state region upon graduation, with over 80 percent of each graduating class seeking employment with regional health care agencies.

The national need for additional registered nurses to meet current and future demand is well documented in the literature. In 2002, the Health Resources and Services Administration published a national report on the *Projected Supply, Demand and Shortages of Registered Nurses: 2000-2020*. The report analyzed the supply and demand for registered nurses for the period 2000-2020 and examined the underlying causes. The report suggests the following.

*“In 2000, the National supply of full-time-equivalent registered nurses was estimated at 1.89 million while the demand was estimated at 2 million, a shortage of 110,000 or 6 percent. Based on what is known about trends in the supply of RNs and their anticipated demand, the shortage is expected to grow relatively slowly until 2010, by which time*

*it will have reached 12 percent. At that point demand will begin to exceed supply at an accelerated rate and by 2015 the shortage, a relatively modest 6 percent in the year 2000, will have almost quadrupled to 20 percent. If not addressed, and if current trends continue, the shortage is projected to grow to 29 percent by 2020.*

*The projected shortage in 2020 results from a projected 40 percent increase in demand between 2000 and 2020 compared to a projected 6 percent growth in supply. Demand will grow steadily at a rate of 1.7 percent annually, a relatively modest growth rate when compared to the 2.3 percent annual growth in demand projected by the Department of Labor's Bureau of Labor Statistics. Factors driving the growth in demand include an 18 percent increase in population, a larger proportion of elderly persons, and medical advances that heighten the need for nurses. In contrast, the projected growth in supply is expected to reach a peak of only 10 percent by 2011 and then begin to decline as the number of nurses leaving the profession exceeds the number that enter."*

A guiding principle in the University of Southern Indiana's School of Nursing and Health Professions development is its commitment to regional workforce needs and student career interests. The increasing knowledge base required for health care professionals has resulted in the development of articulation programs that provide education beyond basic entry level preparation for registered nurses and allied health professionals.

The School of Nursing and Health Professions at the University of Southern Indiana was the first in Indiana to develop a nursing articulation agreement with Ivy Tech State College. The agreement has been the foundation for additional articulation agreements and collaborative efforts between Ivy Tech State College statewide. Examples of local collaboration efforts include:

- sharing of admission and graduation data;
- a presentation by the USI nursing dean to graduating Ivy Tech State College - Evansville associate degree nursing students;
- representation by Ivy Tech State College on the USI Nursing Advisory Council; and
- reciprocal representation by USI on the Ivy Tech State College - Evansville Nursing Advisory Committee.

Another successful USI and Ivy Tech State College collaborative effort on a statewide basis was the enrollment and graduation in 2004 of five Ivy Tech State College nursing faculty from the USI Master of Science in Nursing program. These faculty members graduated with a specialization in nursing education. An additional eight Ivy Tech State College nursing faculty are currently enrolled in the USI graduate nursing program.

Collaborative efforts between Vincennes University and the USI nursing program have been ongoing since the establishment of the USI nursing program. Articulation agreements have also been forged with other area community college nursing programs. In addition to the collaboration between the USI nursing program and area community colleges, regional and statewide health services and imaging science baccalaureate program articulation agreements have been established for the allied health programs.

Twenty-plus individuals have inquired and indicated interest in attending the Accelerated Baccalaureate Professional Nursing Education Program at the University of Southern Indiana. The closest nursing schools offering an accelerated baccalaureate nursing program are in Kentucky, 128 miles from Evansville. In Indiana, the closest schools are in Indianapolis, 192 miles from Evansville. The first class will enroll ten students. Class sizes will be increased if additional resources become available.

The Accelerated Baccalaureate Professional Nursing Education Program is designed to prepare graduates to enter the nursing profession immediately upon completion of the degree requirements. Students who have not completed required science courses will complete required science prerequisites before beginning the nursing program. Students will begin the program in August and complete the program the following December. The targeted December graduation date is in response to a request by regional hospitals for the availability of graduates other than the traditional May graduation date.

As Deaconess Hospital prepares to meet the increasing health care needs of the community with the addition of a new 116-bed hospital, the need for qualified registered nurses continues to escalate. Linda White, President and CEO of Deaconess Hospital, states:

*“The availability of professional nurses is an important element in providing high quality health care for individuals in our community and throughout Indiana. The University of Southern Indiana’s second degree Accelerated Baccalaureate Nursing Education Program will help*

*address the nursing shortage in southwestern Indiana and contribute to the availability of needed nursing care in our hospitals and community.”*

Shiela Clark, President of the Indiana Organization of Nurse Executives and CNO/Vice President of Patient Services at St. Joseph's Hospital in Huntingburg, IN, applauds the University of Southern Indiana's effort to address the nursing shortage in Indiana by providing an accelerated study option for individuals with non-nursing bachelor degrees. She states that:

*"A large number of nurses are reaching retirement age at the same time that an increasing aging population is requiring additional health care resources. Nursing education programs need to be aggressively addressing the current and growing nurse shortage. The University of Southern Indiana's new program is an excellent example of responsiveness to southwestern Indiana's growing nursing needs."*

To successfully implement the Accelerated Baccalaureate Professional Nursing Education Program, the University of Southern Indiana requests quality improvement funds in the 2005-2007 biennium for faculty and programmatic needs.

## **FUNDING REQUEST**

The total funding request for the ***Accelerated Baccalaureate Professional Nursing Education Program*** is: \$170,000 in FY 2005-2006 and no additional funding in FY 2006-2007.

**SUMMARY I  
SUMMARY OF 2005-07 OPERATING REQUEST  
UNIVERSITY OF SOUTHERN INDIANA**

<u>EXPENDITURE BUDGET CHANGES</u>	2004-05 BUDGET TOTAL (\$)	2005-06 REQUEST			2006-07 REQUEST			TOTAL BIENNIUM (\$)
		CHANGE (\$)	(%)	TOTAL (\$)	CHANGE (\$)	(%)	TOTAL (\$)	
<b>I. BASE ADJUSTMENTS</b>								
A. Enrollment Change		2,061,500		2,061,500	0		2,061,500	4,123,000
B. Enrollment Change Residual Amount		403,230		403,230	0		403,230	806,460
C. Plant Expansion		332,779		332,779	1,038,270		1,371,049	1,703,828
D. Appropriation Adjustment		1,500,000		1,500,000	0		1,500,000	3,000,000
E. Balance of Base Restoration		485,632		485,632	0		485,632	971,264
SUBTOTAL		4,783,141		4,783,141	1,038,270		5,821,411	10,604,552
<b>II. PRICE INFLATION</b>								
A. Personal Services	48,761,923	1,462,857	3.0%	50,224,780	1,506,744	3.0%	51,731,524	101,956,304
B. Supplies and Expense	14,646,059	439,383	3.0%	15,085,442	452,564	3.0%	15,538,006	30,623,448
C. Student Assistance	2,147,496	64,425	3.0%	2,211,921	66,358	3.0%	2,278,279	4,490,200
SUBTOTAL	65,555,478	1,966,665		67,522,143	2,025,666		69,547,809	137,069,952
<b>III. QUALITY IMPROVEMENTS</b>								
A. Ctr for Applied Research/Econ Development		275,000		275,000	250,000		525,000	800,000
B. Manufacturing Technology Program		0		0	125,000		125,000	125,000
C. Accelerated Nursing Program		170,000		170,000	0		170,000	340,000
SUBTOTAL		445,000	0.7%	445,000	375,000	0.5%	820,000	1,265,000
<b>TOTAL EXPENDITURE BUDGET</b>	<b>65,555,478</b>	<b>7,194,806</b>	<b>11.0%</b>	<b>72,750,284</b>	<b>3,438,936</b>	<b>4.7%</b>	<b>76,189,220</b>	<b>148,939,504</b>
<b><u>INCOME BUDGET</u></b>								
<b>I. STUDENT FEES</b>								
A. Rate Change								
1. Gross Fee Base	36,421,851	1,092,656	3.0%	37,514,507	1,125,435	3.0%	38,639,942	76,154,449
2. Academic Facility Fees	(5,859,415)	(14,137)	0.2%	(5,873,552)	3,000	-0.1%	(5,870,552)	(11,744,104)
3. Other Dedicated/Restricted Fees	(4,562,558)	0	0.0%	(4,562,558)	0	0.0%	(4,562,558)	(9,125,116)
SUBTOTAL (= Net Unrestricted Fees)	25,999,878	1,078,519	4.1%	27,078,397	1,128,435	4.2%	28,206,832	55,285,229
<b>II. FEDERAL FUNDS</b>								
<b>III. STATE APPROPRIATIONS</b>								
A. Operating Expense	33,696,185	6,102,150	18.1%	39,798,335	2,313,501	5.8%	42,111,836	81,910,171
B. Fee Replacement Base	5,859,415	14,137	0.2%	5,873,552	(3,000)	-0.1%	5,870,552	11,744,104
SUBTOTAL	39,555,600	6,116,287	15.5%	45,671,887	2,310,501	5.1%	47,982,388	93,654,275
<b>TOTAL INCOME BUDGET</b>	<b>65,555,478</b>	<b>7,194,806</b>	<b>11.0%</b>	<b>72,750,284</b>	<b>3,438,936</b>	<b>4.7%</b>	<b>76,189,220</b>	<b>148,939,504</b>

**SERVICES I**  
**SUMMARY OF EDUCATIONAL SERVICES FOR 2005-07 BIENNIUM**  
**UNIVERSITY OF SOUTHERN INDIANA**

	2004-05	2005-06 REQUEST			2006-07 REQUEST		
	BUDGET TOTAL \$	Unit (\$/FTE)	Activity Level (FTE)	Total \$	Unit (\$/FTE)	Activity Level (FTE)	Total \$
<b>EDUCATIONAL SERVICES</b>							
<b>INSTRUCTION</b>							
<b>A. On-Campus for Credit Instruction</b>							
1. Vocational/Technical	2,755,622	7,709	398	3,068,328	7,843	410	3,215,661
2. Baccalaureate	55,175,059	7,788	7,889	61,436,305	7,923	8,126	64,386,306
3. Graduate	4,697,082	9,887	529	5,230,105	10,076	544	5,481,241
<b>SUBTOTAL CREDIT INSTRUCTION</b>	<u>62,627,763</u>		<u>8,816</u>	<u>69,734,738</u>		<u>9,080</u>	<u>73,083,208</u>
<b>C. On/Off Campus Non-Credit</b>	<u>780,219</u>			<u>803,625</u>			<u>827,733</u>
<b>SUBTOTAL ALL INSTRUCTION</b>	<u>63,407,982</u>		<u>8,816</u>	<u>70,538,363</u>		<u>9,080</u>	<u>73,910,941</u>
<b>RESEARCH</b>							
<b>PUBLIC SERVICE</b>							
<b>STUDENT ASSISTANCE</b>							
<b>A. Fee Remissions</b>	<u>2,147,496</u>			<u>2,211,921</u>			<u>2,278,279</u>
<b>TOTAL EDUCATIONAL SERVICE BUDGET</b>	<u><u>65,555,478</u></u>			<u><u>72,750,284</u></u>			<u><u>76,189,220</u></u>



**EXPENDITURES I**  
**EXPLANATION OF MAINTENANCE/PRICE INFLATION BUDGET CHANGES**  
**UNIVERSITY OF SOUTHERN INDIANA**

	2004-05 Base Budget Expenditures	2005-06		2006-07	
		Projected Change \$	Total Budget	Projected Change \$	Total Budget
<b>A. <u>PERSONAL SERVICES</u></b>					
1. Salaries & Wages	35,841,141	1,075,234	36,916,375	1,107,491	38,023,866
2. Staff Benefits					
a. Retirement Programs					
(1) PERF	543,311	16,299	559,610	16,788	576,398
(2) TRF	26,858	806	27,664	830	28,494
(3) TIAA/CREF	3,638,645	109,159	3,747,804	112,434	3,860,238
b. Social Security	2,716,687	81,501	2,798,188	83,946	2,882,134
c. Life Insurance	116,913	3,507	120,420	3,613	124,033
d. Health Insurance	5,560,764	166,823	5,727,587	171,828	5,899,415
e. Employee Remitted Fees	317,604	9,528	327,132	9,814	336,946
SUBTOTAL STAFF BENEFITS	12,920,782	387,623	13,308,405	399,253	13,707,658
<b>TOTAL PERSONAL SERVICES</b>	<b>48,761,923</b>	<b>1,462,857</b>	<b>50,224,780</b>	<b>1,506,744</b>	<b>51,731,524</b>
<b>B. <u>SUPPLIES &amp; EXPENSES</u></b>					
1. General S & E	10,565,100	316,953	10,882,053	326,462	11,208,515
2. Energy					
a. Electricity	1,872,452	56,174	1,928,626	57,859	1,986,485
b. Natural Gas	632,045	18,961	651,006	19,530	670,536
c. Energy Management Debt Service	170,250	5,108	175,358	5,261	180,619
SUBTOTAL ENERGY	2,674,747	80,243	2,754,990	82,650	2,837,640
3. Utilities					
a. Water	164,033	4,921	168,954	5,069	174,023
b. Sewer	283,723	8,512	292,235	8,767	301,002
SUBTOTAL UTILITIES	447,756	13,433	461,189	13,836	475,025
4. Property & Liability Insurance	958,456	28,754	987,210	29,616	1,016,826
<b>TOTAL SUPPLIES &amp; EXPENSES</b>	<b>14,646,059</b>	<b>439,383</b>	<b>15,085,442</b>	<b>452,564</b>	<b>15,538,006</b>
<b>SUBTOTAL</b>	<b>63,407,982</b>	<b>1,902,240</b>	<b>65,310,222</b>	<b>1,959,308</b>	<b>67,269,530</b>
<b>C. <u>STUDENT ASSISTANCE</u></b>	<b>2,147,496</b>	<b>64,425</b>	<b>2,211,921</b>	<b>66,358</b>	<b>2,278,279</b>
<b>GRAND TOTAL BASE BUDGET</b>	<b>65,555,478</b>	<b>1,966,665</b>	<b>67,522,143</b>	<b>2,025,666</b>	<b>69,547,809</b>

EXPENDITURES II-A  
 FACULTY INSTRUCTIONAL WORKLOAD AND COMPENSATION TABLE - FALL 2003  
 UNIVERSITY OF SOUTHERN INDIANA

	Head Count	Percent Tenured	Unrestricted FTE	Instruction Only		
				Sections	Course Credit Hours	Student Credit Hours
1. Tenure-Track, Full-Time Faculty	189	57.67%	161.649	637.500	1,858.500	51,215.00
2. Non-Tenure-Track, Full-Time Faculty	113	n.a.	100.729	372.500	1,035.000	28,779.00
3. Part-Time Faculty						
a. Adjunct Faculty	318	n.a.	141.278	540.500	1,500.500	38,615.00
b. Graduate Assistants	0	n.a.	0.000	0.000	0.000	0.00
SUBTOTAL -- Part-Time Faculty	318	n.a.	141.278	540.500	1,500.500	38,615.00
SUBTOTAL -- Faculty	620	n.a.	403.656	1,550.500	4,394.000	118,609.00
4. Other Instructors	12	n.a.	n.a.	57.125	127.125	817.00
TOTAL -- Faculty and Other Instructors	632	n.a.	403.656	1,607.625	4,521.125	119,426.00

EXPENDITURES II-B  
 BREAKDOWN OF SECTIONS BY INSTRUCTIONAL FORMAT - FALL 2003

Sections taught by Means of Group Instruction	1,547.000
Equivalent Sections Generated through Individualized Instruction	60.625
Equivalent Sections Generated by Theses and Dissertations	0.000
<b>Total Number of Sections and Equivalent Sections</b>	<b>1,607.625</b>

**EXPENDITURES III-A**

**SALARY COMPENSATION STATISTICS FOR THE 2002-03 FISCAL YEAR**

**UNIVERSITY OF SOUTHERN INDIANA**

	<u>Faculty</u>	<u>Executive Administrative &amp; Management</u>	<u>Other Professional</u>	<u>Technical &amp; Para- Professional</u>	<u>Clerical &amp; Secretarial</u>	<u>Skilled Crafts</u>	<u>Service/ Maintenance/ Food Service</u>	<u>Graduate Assistants</u>	<u>Total Employees</u>
<b>A. For Employees as of November 1, 2002</b>									
<b>Headcount</b>									
Full-Time *	283	65	163	36	163	35	80		825
Full-Time FTE *	281.05	65.00	161.75	35.57	161.34	35.00	79.50		819.21
Part-Time	272	-	45	3	63	1	31	9	424
Part-Time FTE	145.09							4.77	149.86
<b>Total Salaries</b>									
Full-Time	14,060,868	4,212,341	5,637,603	980,276	3,162,908	936,819	1,527,552		30,518,367
Part-Time **	1,178,992		63,728	64,851	275,409	19,749	80,882	58,885	1,742,495
<b>Average Salary</b>									
Full-Time	50,030	64,805	34,854	27,559	19,604	26,766	19,214		
Part-Time	8,126		1,416	21,617	4,372	19,749	2,609	12,345	
<b>Total Compensation</b>									
Full-Time	18,247,806	5,411,817	7,332,666	1,282,318	4,212,172	1,244,463	2,087,797		39,819,039
Part-Time **	1,269,185		68,603	69,812	296,478	21,259	87,070	58,885	1,871,291
<b>Average Comp</b>									
Full-Time	64,927	83,259	45,333	36,051	26,107	35,556	26,262		
Part-Time	8,748		1,525	23,271	4,706	21,259	2,809	12,345	
<b>B. Budgeted Percent Change in Salary and Compensation from FY02 to FY03 by Occupational Category</b>									
Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Total Compensation	3.05%	3.05%	3.05%	3.17%	3.17%	3.17%	3.17%		

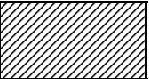
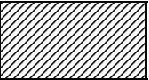
\* Includes part time who receive benefits

\*\* Average Based on headcount and does not reflect FTE assignment levels

**EXPENDITURES III-B**

**SALARY COMPENSATION STATISTICS FOR THE 2003-04 FISCAL YEAR**

**UNIVERSITY OF SOUTHERN INDIANA**

	Faculty	Executive Administrative & Management	Other Professional	Technical & Para- Professional	Clerical & Secretarial	Skilled Crafts	Service/ Maintenance/ Food Service	Graduate Assistants	Total Employees
A. For Employees as of <u>November 1, 2003</u>									
Headcount									
Full-Time *	296	65	168	34	164	35	96		858
Full-Time FTE *	294.05	65.00	166.95	34.00	162.88	35.00	95.50		853.38
Part-Time	285	-	38	-	69	-	30	6	428
Part-Time FTE	151.15							3.18	154.33
Total Salaries									
Full-Time	14,983,711	4,439,819	5,979,648	947,037	3,248,617	952,029	1,812,350		32,363,211
Part-Time **	1,285,346		95,935		344,642		133,363	38,730	1,898,015
Average Salary									
Full-Time	50,956	68,305	35,817	27,854	19,945	27,201	18,977		
Part-Time	8,504		2,525		4,995		4,445	12,179	
Total Compensation									
Full-Time	19,655,786	5,839,757	7,985,735	1,271,567	4,416,305	1,298,753	2,477,332		42,945,233
Part-Time **	1,383,675		103,274		371,007		143,566	38,730	2,040,250
Average Comp									
Full-Time	66,845	89,842	47,833	37,399	27,114	37,107	25,941		
Part-Time	9,154		2,718		5,377		4,786	12,179	
B. Budgeted Percent Change in Salary and Compensation from FY03 to FY04 by Occupational Category									
Salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Total Compensation	4.75%	4.75%	4.75%	5.29%	5.29%	5.29%	5.29%		

\* Includes part time who receive benefits

\*\* Average Based on headcount and does not reflect FTE assignment levels

**EXPENDITURES IV  
 PLANT EXPANSION CHANGE SUMMARY  
 UNIVERSITY OF SOUTHERN INDIANA**

	<u>Estimated 2004-05</u>	<u>Requested 2005-06</u>		<u>Requested 2006-07</u>	
		<u>Increase</u>	<u>Total</u>	<u>Increase</u>	<u>Total</u>
1. Library/Classroom Expansion/Renovation	0	332,779	332,779	1,038,270	1,371,049
<b>TOTAL</b>	<u>0</u>	<u>332,779</u>	<u>332,779</u>	<u>1,038,270</u>	<u>1,371,049</u>

EXPENDITURES IV (A)  
 PLANT EXPANSION BUDGET ANALYSIS  
 UNIVERSITY OF SOUTHERN INDIANA

I. BUDGET INFORMATION

	<u>2005-06 Expenditure Amount</u>		<u>2006-07</u>
	<u>Total</u>	<u>Amount</u>	<u>Expenditure</u>
	<u>Amount</u>	<u>Requested</u>	<u>Amount</u>
Library/Classroom Expansion/Renovation			
1. a. Occupancy Date: April 2006			
b. Plant Expansion Begins Date: April 2006			
2. Square Feet			
a. Assignable: 105,070			
b. Gross: 158,335			
c. Assignable SF Classified as Research/Nonclass Lab: 0			
3. Operating Cost			
a. Personal Services	\$408,384	\$102,096	\$420,636
b. Fuel (Natural Gas)	\$66,120	\$16,530	\$68,104
c. Utilities (Electricity, Water, and Sewer)	\$155,420	\$38,855	\$160,083
d. Supplies and Expense	\$612,576	\$153,144	\$630,952
e. Other (Insurance)	\$88,616	\$22,154	\$91,274
f. Total Expenditure	\$1,331,116	\$332,779	\$1,371,049
4. Existing Resources Available for Reallocation	\$0	\$0	\$0
5. Net Additional Expenditures	\$1,331,116	\$332,779	\$1,371,049
6. Operating Cost Per Assignable Square Foot	\$12.669	\$3.167	\$13.049

The cost estimates presented in the 2003-05 Capital Improvement Budget Request were based on current costs prevailing as of May 2002. The escalation factor on a three percent inflation rate for five years from fiscal year 2001-02 to fiscal year 2006-07.

In the 2005-06 fiscal year, only 3/12 of the annual expenditure amount requested since the facility will be completed in April 2006. Beginning in fiscal year 2006-07, the full amount of the plant expansion is requested.

Revision of August 1, 2004 submission in the 2005-07 Operating Budget Request (11-18-04)

**EXPENDITURES V  
 PRIORITIZED QUALITY IMPROVEMENT INITIATIVES  
 UNIVERSITY OF SOUTHERN INDIANA**

<u>Priority</u>	<u>Initiative</u>	<u>2005-06</u>	<u>2005-07</u>	
		<u>Projected</u> <u>Change</u>	<u>Projected</u> <u>Change</u>	<u>Total</u>
1. Center for Applied Research/Economic Development	Establishment of Center to address applied research and economic development needs throughout southwestern Indiana	275,000	250,000	525,000
2. Manufacturing Technology Program	Preparation of students for employment in the manufacturing sector as skilled technologists	0	125,000	125,000
3. Accelerated Nursing Program	Accelerated degree program to prepare graduates to enter the nursing profession	170,000	0	170,000
	<b>Total</b>	<b>445,000</b>	<b>375,000</b>	<b>820,000</b>



**EXPENDITURES V (A)**  
**QUALITY IMPROVEMENT INITIATIVE PERFORMANCE MEASUREMENT**  
**UNIVERSITY OF SOUTHERN INDIANA**

**1. Center for Applied Research and Economic Development**

The University of Southern Indiana plans to establish a Center for Applied Research and Economic Development to coordinate University resources to assist business, industry, governmental agencies, and entrepreneurial groups in a variety of applied research, technical assistance, development, and educational and training activities. The Center will enable the University to contribute more actively to the general economic well being of southwestern Indiana and the State of Indiana to help grow jobs. Through the expansion of existing University services and the development of new and innovative activities, the Center will strengthen the economic future of the region. Measurement of this initiative would include: expanded partnerships with existing business and industry in the region; increased applied research activities; development of new processes and technology developed through partnerships between private industry and the University. The following funds are requested:

	<u>2005-2006</u> <u>Projected Change</u>	<u>2006-2007</u> <u>Projected Change</u>	<u>Total</u>
<i>Establishment of Center to address applied research and economic development need throughout southwestern Indiana</i>	\$275,000	\$250,000	\$525,000
<i>Funding Request for 2005-2007:</i>	<u>\$275,000</u>	<u>\$250,000</u>	<u>\$525,000</u>

**EXPENDITURES V (A)**  
**QUALITY IMPROVEMENT INITIATIVE PERFORMANCE MEASUREMENT**  
**UNIVERSITY OF SOUTHERN INDIANA**

**2. Manufacturing Technology Program**

Indiana workforce statistics indicate the accelerating demand for trained technicians and technology graduates in the manufacturing field due to the increased “high-tech” capabilities required in advanced manufacturing techniques. The Bachelor of Science in Manufacturing Technology program is designed to prepare students for employment in the manufacturing sector as skilled technologists. Graduates from the manufacturing technology program will fill a critical need for trained technologists in an area of the state which has a high concentration of advanced manufacturing companies. The availability of this program will help promote continued economic development in southern Indiana and throughout the region. Measurement of this initiative would include: increased number of skilled technologists; demonstrated responsiveness to workforce needs of the region. The following funds are requested:

	<u>2005-2006</u> <u>Projected Change</u>	<u>2006-2007</u> <u>Projected Change</u>	<u>Total</u>
<i>Preparation of students for employment in the manufacturing sector as skilled technologists</i>	\$0	\$125,000	\$125,000
<i>Funding Request for 2005-2007:</i>	<u>\$0</u>	<u>\$125,000</u>	<u>\$125,000</u>

**EXPENDITURES V (A)**  
**QUALITY IMPROVEMENT INITIATIVE PERFORMANCE MEASUREMENT**  
**UNIVERSITY OF SOUTHERN INDIANA**

**3. Accelerated Baccalaureate Professional Nursing Education Program**

The shortage of nurses is a major challenge for health care providers in the tri-state region. The nursing shortage in the State of Indiana is estimated to be 12 percent in 2005 and will increase steadily to 31.5 percent by 2020. The establishment of the Accelerated Baccalaureate Professional Nursing Education Program will provide individuals with a previously earned non-nursing bachelor's degree the opportunity to complete requirements for a second degree in nursing within 16 months of enrollment in the nursing program. Measurement of this initiative would include: increased number of individuals qualified to enter the nursing profession; demonstrated responsiveness to workforce needs of the region and the State of Indiana. The following funds are requested:

	<u>2005-2006</u> <u>Projected Change</u>	<u>2006-2007</u> <u>Projected Change</u>	<u>Total</u>
<i>Accelerated degree program to prepare graduates to enter the nursing profession</i>	\$170,000	\$0	\$170,000
<i>Funding Request for 2005-2007:</i>	<u>\$170,000</u>	\$0	<u>\$170,000</u>

**EXPENDITURES VIII  
STUDENT ASSISTANCE BUDGET ANALYSIS  
UNIVERSITY OF SOUTHERN INDIANA**

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Awards	\$	Awards	\$	Awards	\$	Awards	\$	Awards	\$
<b>A. Fee Remissions</b>										
1. <u>Statutory (Resident)</u>										
a. County Scholarships IC 20-12-60-1										
b. Other Statutory Remissions (Identify)										
SUBTOTAL	0	0	0	0	0	0	0	0	0	0
2. <u>Other Undergraduate</u>										
a. Resident										
(1) Need based										
(2) Other criteria	1,338	1,113,108	1,310	1,145,948	1,310	1,282,869	1,310	1,321,355	1,310	1,360,995
SUBTOTAL	1,338	1,113,108	1,310	1,145,948	1,310	1,282,869	1,310	1,321,355	1,310	1,360,995
b. Non-Resident										
(1) Need based										
(2) Other criteria	421	899,836	374	846,283	374	864,627	374	890,566	374	917,284
SUBTOTAL	421	899,836	374	846,283	374	864,627	374	890,566	374	917,284
3. <u>Other Graduate</u>										
a. Resident										
b. Non-Resident										
SUBTOTAL	0	0	0	0	0	0	0	0	0	0
**TOTAL REMITTED FEES**	1,759	2,012,944	1,684	1,992,231	1,684	2,147,496	1,684	2,211,921	1,684	2,278,279
<b>B. <u>Undergraduate Scholarships, Awards and Other Grants</u></b>										
a. Resident										
(1) Need based										
(2) Other criteria			1	900						
b. Non-Resident										
(1) Need based										
(2) Other criteria										
SUBTOTAL	0	0	1	900	0	0	0	0	0	0
<b>C. <u>Graduate Fellowships, Awards, and Other Grants</u></b>										
a. Resident										
b. Non-Resident										
SUBTOTAL	0	0	0	0	0	0	0	0	0	0
<b>D. <u>Loan Programs (Matching Funds Only)</u></b>										
a. Resident										
b. Non-Resident										
SUBTOTAL	0	0	0	0	0	0	0	0	0	0
**TOTAL STUDENT AID**	1,759	2,012,944	1,685	1,993,131	1,684	2,147,496	1,684	2,211,921	1,684	2,278,279
<b>RECAP</b>										
Resident Student Aid	1,338	1,113,108	1,311	1,146,848	1,310	1,282,869	1,310	1,321,355	1,310	1,360,995
Non-Resident Student Aid	421	899,836	374	846,283	374	864,627	374	890,566	374	917,284
**TOTAL STUDENT AID**	1,759	2,012,944	1,685	1,993,131	1,684	2,147,496	1,684	2,211,921	1,684	2,278,279

**EXPENDITURES X  
 CHANGING CAMPUS EXPENDITURE ADJUSTMENT  
 FOR ENROLLMENT CHANGE  
 2005-07 BIENNIUM  
 UNIVERSITY OF SOUTHERN INDIANA**

	<u>4 Year Average 2000-04</u>	<u>Actual 2002-03</u>	<u>Estimated 2003-04 (1)</u>	<u>Budgeted 2004-05 (2)</u>	<u>Projected 2005-06 (2)</u>	<u>4 Year Average 2002-06</u>
<b>A. Indiana Resident FTE Enrollment</b>						
1. Undergraduate		6,782	7,027	7,238	7,455	
2. Graduate/Professional		338	383	394	406	
<b>B. Reciprocity Non-Resident FTE Enrollment</b>						
1. Undergraduate		310	282	290	299	
2. Graduate/Professional		31	39	40	41	
<b>C. Total Eligible FTE Enrollment (A+B)</b>	<b>7,250</b>	<b>7,461</b>	<b>7,731</b>	<b>7,962</b>	<b>8,201</b>	<b>7,839</b>
<b>D. FTE Enrollment Change</b>						
1. Line C: 2002-06 4-Year Average FTE	7,839					
2. Line C: 2000-04 4-Year Average FTE	7,250					
3. Enrollment Change	589					
4. Adjustment Amount Per FTE	\$3,500					
5. Adjustment	\$2,061,500					

Note (1): The data for 2003-04 is preliminary. The data submitted on the SIS tape may vary slightly from the data presented on this schedule.

Note (2): The projected FTE enrollment for 2004-05 and 2005-06 is based on a 3% enrollment increase assumption.

**EXPENDITURES X (A)**  
**CHANGING CAMPUS EXPENDITURE ADJUSTMENT FOR ENROLLMENT CHANGE**  
**RESIDUAL AMOUNT**  
**2005-07 BIENNIUM**  
**UNIVERSITY OF SOUTHERN INDIANA**

2004-05 Enrollment Change Request	1,564,500
2004-05 Appropriated Amount at 90% Funding	1,161,270
	<hr/>
Enrollment Residual Amount	403,230

	<u>Requested 2005-06</u>		<u>Requested 2006-07</u>	
	<u>Increase</u>	<u>Total</u>	<u>Increase</u>	<u>Total</u>
Enrollment Residual Amount	403,230	403,230	0	403,230

**EXPENDITURES XI  
GENERAL FUND EXPENDITURES FOR COMPUTING TECHNOLOGY  
UNIVERSITY OF SOUTHERN INDIANA**

	<u>Actual 2002-03</u>	<u>Estimated 2003-04</u>	<u>Budgeted 2004-05</u>
<b>A. COMPUTER EQUIPMENT &amp; SOFTWARE</b>			
1. Computer Equipment Purchase	2,558,383	1,515,916	1,275,971
2. Computer Equipment Maintenance	378,375	347,627	441,610
3. Computer Software Purchase	193,748	1,716,706	1,447,676
4. Computer Software Rental	363,540	296,034	336,130
5. Computer Software Maintenance	429,820	269,985	715,185
<b>SUBTOTAL</b>	<b>3,923,866</b>	<b>4,146,268</b>	<b>4,216,572</b>
<b>B. PERSONAL SERVICES</b>			
1. Computer Center	1,426,477	1,474,477	1,671,984
2. Academic Computer Labs	232,241	228,158	258,677
3. Library Technology	92,740	96,708	101,581
4. Distance Education	209,374	220,785	230,086
5. Administrative Computing - Banner Project		47,259	84,110
6. University Departments	589,507	616,981	674,776
7. Web Services	29,999	64,435	144,246
8. Computer Maintenance Fund	274,088	284,967	348,081
<b>SUBTOTAL</b>	<b>2,854,426</b>	<b>3,033,770</b>	<b>3,513,541</b>
<b>TOTAL</b>	<b>6,778,292</b>	<b>7,180,038</b>	<b>7,730,113</b>

EXPENDITURES XII-A  
 MEDICAL, DENTAL, AND VISION PLAN INFORMATION  
 UNIVERSITY OF SOUTHERN INDIANA

Is your institution fully insured or self-funded? Fully insured

<u>Health Care Plans</u>	<u>Contract Year</u>	<u>Number of Employees Enrolled in FY04 or Most Recent Contract Year</u>	<u>Total Covered Lives in FY04 or Most Recent Contract Year</u>	<u>Premium Cost</u>	<u>University Contribution</u>	<u>%</u>
Per plan						
Per type of plan (i.e., single, employee and spouse, family)						
<u>Anthem Blue Traditional</u>	1/1/2004 - 12/31/2004	78	148			
Employee				333.95	250.46	75%
Employee + Child				635.74	476.81	75%
Employee + Spouse				839.05	629.29	75%
Family				934.15	700.61	75%
<u>Anthem Blue Access</u>	1/1/2004 - 12/31/2004	498	1,134			
Employee				317.81	238.36	75%
Employee + Child				597.36	448.02	75%
Employee + Spouse				788.26	591.20	75%
Family				867.22	650.42	75%
<u>Anthem Blue Access 500</u>	1/1/2004 - 12/31/2004	44	107			
Employee				268.31	235.31	87.7%
Employee + Child				504.87	442.77	87.7%
Employee + Spouse				666.34	584.38	87.7%
Family				733.00	642.84	87.7%
<u>Welborn HMO</u>	1/1/2004 - 12/31/2004	141	272			
Employee				282.27	211.70	75%
Employee + Child				545.10	408.83	75%
Employee + Spouse				605.35	454.01	75%
Family				849.20	636.90	75%
<u>Dental Plans</u>						
<u>Health Resources, Inc.</u>	(Traditional, Access, Welborn) 1/1/2004 - 12/31/2004	717	1,554			
Employee				22.90	17.18	75%
Employee + Child				42.80	32.10	75%
Employee + Spouse				42.80	32.10	75%
Family				65.28	48.96	75%
<u>Health Resources, Inc.</u>	(Blue Access 500) 1/1/2004 - 12/31/2004	44	107			
Employee				22.90	20.08	87.7%
Employee + Child				42.80	37.54	87.7%
Employee + Spouse				42.80	37.54	87.7%
Family				65.28	57.25	87.7%
<u>Vision Plans</u>						
N/A						
<u>Other Pharmaceutical/Benefit Managers*</u>						
N/A						

\*Provide details of any PBM contract

1 The University bundles the medical and dental insurance coverage. The University contributes the same dollar amount for the 500 plan as the Blue Access plan.



**EXPENDITURES XII-B  
MEDICAL, DENTAL, AND VISION PLAN EXPENDITURES  
UNIVERSITY OF SOUTHERN INDIANA**

	Total Institutional Expenditures <sup>1</sup>					
	1998-99	1999-00	2000-01	2001-02	2002-03	
Total Medical Paid Claims	2,339,898.24 <sup>2</sup>	1,678,745.88 <sup>2</sup>	1,934,593.60	2,814,292.38	1,586,903.83	Data Not Available until October-04
Hospital Inpatient					594,429.00	
Hospital Outpatient					883,934.00	
Professional Services						
Physician Services - Non-Surgery						
Physician Services - Surgery						
Home Health Services						
Mental Health Services						
Dental	181,977.00	195,382.00	230,688.00	290,701.53	324,067.64	
Vision						
LTC/Nursing Home						
Prescription Drugs/Pharmaceuticals	91,128.70	276,642.24	666,396.10	865,297.19	859,654.33	
Totals	2,613,003.94 <sup>3</sup>	2,150,770.12 <sup>3</sup>	2,831,677.70 <sup>3</sup>	3,970,291.10 <sup>3</sup>	4,248,988.80 <sup>3</sup>	

**Note:**

<sup>1</sup> Total plan expenditures for fiscal year or plan year. If plan year, please indicate beginning and ending dates. Total institutional expenditures includes university share of expenditures, excludes employee copays and deductibles. Multicampus institutions may submit one schedule covering all institutional expenditures.

Plan Year: Reported expenditures are for each plan's experience year - August through July

<sup>2</sup> Separate prescription claims were not available for these 2 years as one vendor combined prescription and medical claims.

<sup>3</sup> Items not covered for fully insured plans: Administrative costs and plan rider for Human Organ Transplant coverage.

**EXPENDITURES XII-C  
GENERAL INFORMATION ON MEDICAL, DENTAL, AND VISION PLANS  
UNIVERSITY OF SOUTHERN INDIANA**

1. **What are the renewal dates for your institution's medical, dental, and vision plans?**

**Contract dates:** 1/1/2004 - 12/31/2004  
**Renewal date:** 1/1/2005

2. **Are retirees eligible for coverage? If so, are they funded differently? Explain.**

**Yes, retirees are eligible for coverage. Retirees pay the same percent of the premiums for chosen plan as active employees. The University is funding a VEBA Trust to pay for future retiree health care coverage.**

3. **Please supply copies or summaries of descriptions of plan benefits.**

**See attached Blue Cross/Blue Shield, Welborn, and Health Resources benefit summaries.**

4. **Name and phone number of benefit manager or other person responsible for completing Expenditures XII-A, B, and C.**

**Angie Brawdy  
Benefits Manager  
(812) 464-1988**

INCOME I  
GROSS STUDENT FEE REVENUE ANALYSIS  
UNIVERSITY OF SOUTHERN INDIANA

	2002-03 (Actual)		2003-04 (Actual)		Base Year 2004-05 (Budgeted)		2005-06 (Projected)		2006-07 (Projected)	
	Unrestricted	Restricted/ Auxiliary	Unrestricted	Restricted/ Auxiliary	Unrestricted	Restricted/ Auxiliary	Unrestricted	Restricted/ Auxiliary	Unrestricted	Restricted/ Auxiliary
<b>I. BUDGET INFORMATION</b>										
<b>A. Instructional and Academic</b>										
Facilities Fee Revenue										
1. Resident										
a. Undergraduate	20,845,932		23,033,884		23,891,484		24,735,073		25,603,970	
b. Graduate	1,608,404		1,965,977		2,039,175		2,111,177		2,185,339	
2. Non-Resident										
a. Undergraduate	4,223,901		4,641,051		4,813,848		4,983,821		5,158,893	
b. Graduate	118,871		193,641		200,851		207,943		215,247	
<b>SUBTOTAL</b>	<b>26,797,108</b>		<b>29,834,553</b>		<b>30,945,358</b>		<b>32,038,014</b>		<b>33,163,449</b>	
<b>B. Other Fees</b>										
1. Continuing Education	142,894		167,027		122,345		122,345		122,345	
2. Special Course Fees (Lab)	638,541		712,980		556,140		556,140		556,140	
3. Incidental Student Fees	232,682		226,870		171,200		171,200		171,200	
4. Medical Education Students	71,122		76,608		64,250		64,250		64,250	
<b>SUBTOTAL</b>	<b>1,085,239</b>		<b>1,183,485</b>		<b>913,935</b>		<b>913,935</b>		<b>913,935</b>	
<b>C. Gross Unrestricted Fees</b>	<b>27,882,347</b>		<b>31,018,038</b>		<b>31,859,293</b>		<b>32,951,949</b>		<b>34,077,384</b>	
<b>D. Academic Facilities Fees Contained in (A)</b>										
1. Debt Service	3,794,346		5,862,166		5,859,415		5,873,552		5,870,552	
2. Coverage or Reserve Requirements										
<b>SUBTOTAL</b>	<b>3,794,346</b>		<b>5,862,166</b>		<b>5,859,415</b>		<b>5,873,552</b>		<b>5,870,552</b>	
<b>E. Net Unrestricted Fees</b>	<b>24,088,001</b>		<b>25,155,872</b>		<b>25,999,878</b>		<b>27,078,397</b>		<b>28,206,832</b>	
<b>F. Other Dedicated Fee Revenue</b>										
1. Student Activities										
a. Student Programs		1,162,516		1,251,774		1,296,278		1,296,278		1,296,278
b. Student Publications		14,365		14,365		14,365		14,365		14,365
c. Intercollegiate Athletics		765,627		888,184		910,246		910,246		910,246
d. Student Service Fee		40,553		41,877		51,324		51,324		51,324
2. Performance Facilities										
a. University Center		763,515		863,706		910,618		910,618		910,618
b. Fitness Center Financing Reserve		19,970		122,222		179,727		179,727		179,727
3. Parking Facilities		73,388		38,963		0		0		0
4. Technology Fee		596,961		1,216,352		1,200,000		1,200,000		1,200,000
<b>SUBTOTAL</b>		<b>3,436,895</b>		<b>4,437,443</b>		<b>4,562,558</b>		<b>4,562,558</b>		<b>4,562,558</b>
<b>G. GROSS FEE BASE</b>		<b>31,319,242</b>		<b>35,455,481</b>		<b>36,421,851</b>		<b>37,514,507</b>		<b>38,639,942</b>

Note: Non-resident reciprocity students are included with Indiana residents.

**INCOME II**  
**DEBT SERVICE ON CAPITAL PROJECTS, 2005-07 BIENNIUM**  
**UNIVERSITY OF SOUTHERN INDIANA**

	2002-03 Actual	2003-04 Actual	2004-05 Budget	2005-06 Requested	2006-07 Requested
<b>I. <u>Projects Eligible for Fee Replacement</u></b>					
<b>Acts of 1953 or 1965</b>					
<b>Existing Debt Service: Permanently Scheduled</b>					
A. Series D (1)	2,478,923	2,481,023	2,479,945 (2)	840,000	835,000
B. Series F (1)	1,318,770	1,319,868	1,318,645	1,319,920	1,318,970
C. Series H (1)	1,221,238	2,061,275	2,060,825	2,063,088	2,061,738
<b>New Debt Service:</b>					
A. Series I (3)				1,650,544	1,654,844
B. School of Business/Gen Classroom Bldg (4)				0	0
<b>SUBTOTAL</b>	5,018,931	5,862,166	5,859,415	5,873,552	5,870,552
 <b>Acts of 1927 or 1929</b>					
<b>Existing Debt Service: Permanently Scheduled</b>					
<b>Existing Debt Service: Interim &amp; Variable Rate</b>					
<b>New Debt Service:</b>					
<b>SUBTOTAL</b>	0	0	0	0	0
<b>TOTAL DEBT SERVICE</b>	5,018,931	5,862,166	5,859,415	5,873,552	5,870,552

- (1) The permanently scheduled projects eligible for fee replacement represents Health Professions Center Student Fee Revenue Bonds, Series D of 1993; Liberal Arts Center Student Fee Bonds, Series F of 1998; and the Science/Education Classroom Building Student Fee Bonds, Series H of 2001.
- (2) In June 2004 the University issued Series I (see footnote 3) and refunded all of the Series D bond issue except for \$4 million in capital appreciation bonds. This debt restructuring will reduce Series D principal and interest costs by \$120,000 and \$412,761 respectively in 2004-05. The Series D debt service amount reflected here is the amount budgeted prior to the intervening bond issue.
- (3) Bonds for the Library/Classroom Expansion, Series I, were issued in June 2004. Series I consists of new money plus refunding of Series D serial bonds and Series E, non-fee-replacement bonds. Interest on the new money will be capitalized and paid from the bond proceeds during the construction phase; no principal payments are due until project is complete. Interest and principal payments will be made on the refunding portion of Series I beginning October 2004. Debt service amounts above are for refunding Series D only.
- (4) Bonding authorization for the School of Business/General Classroom Building is requested in the 2005-07 Capital Improvement Budget Request.

Revision of June 15, 2004 submission in the 2005-07 Capital Improvement Budget Request

**ATTACHMENT B (1)**  
**ACADEMIC FACILITIES BONDING DEBT SERVICE ANALYSIS**  
**UNIVERSITY OF SOUTHERN INDIANA**

I. ISSUE NAME: Student Fee Revenue Bonds, Series 1993 D

II. TOTAL AMOUNT OF SERIES D BONDS ISSUED AS OF 6/30/2004: \$ 4,082,205

III. SCHEDULE OF PAYMENTS:

FY Ending 6/30	Principal	Payment Date	Interest	(Less) Interest Subsidy	Total Debt Service	Outstanding Principal	Academic Facilities Debt		
							Held By Institution	Held By Bond Trustee	Total Reserve
1994	0	10-01-93	580,003		580,003	24,678,101	0	4,669,652	4,669,652
1995	0	10-01-94	923,899		923,899	24,678,101	0	894,805	894,805
1996	210,000	10-01-95	920,224		1,130,224	24,468,101	0	1,507	1,507
1997	775,000	10-01-96	902,018		1,677,018	23,693,101	0	1,003	1,003
1998	800,000	10-01-97	871,486		1,671,486	22,893,101	0	874	874
1999	840,000	10-01-98	838,161		1,678,161	22,053,101	0	864	864
2000	860,000	10-01-99	802,131		1,662,131	21,193,101	0	1,115	1,115
2001	1,070,000	10-01-00	759,084		1,829,084	20,123,101	0	899	899
2002	1,491,824	10-01-01	986,527		2,478,351	18,631,277	0	5,736	5,736
2003	1,505,030	10-01-02	973,893		2,478,923	17,126,247	0	105	105
2004	13,044,042	10-01-03	956,981		14,001,023	4,082,205	0	510	510
2005	473,920	10-01-04	366,080		840,000	3,608,285			
2006	444,738	10-01-05	395,262		840,000	3,163,547			
2007	414,060	10-01-06	420,940		835,000	2,749,488			
2008	387,056	10-01-07	447,944		835,000	2,362,432			
2009	363,768	10-01-08	471,232		835,000	1,998,664			
2010	341,540	10-01-09	493,460		835,000	1,657,124			
2011	320,364	10-01-10	514,636		835,000	1,336,759			
2012	300,216	10-01-11	534,784		835,000	1,036,544			
2013	283,666	10-01-12	551,334		835,000	752,877			
2014	265,438	10-01-13	569,562		835,000	487,439			
2015	250,684	10-01-14	584,316		835,000	236,756			
2016	236,756	10-01-15	598,244		835,000	(0)			

Series D bonds were issued in 1993 to advance refund Student Fee Bonds, Series B of 1988; to provide funds for the construction of the Health Professions Center classroom building; and to pay all related costs of issuance. Series I bonds, issued in 2004, refunded \$11.5 million in Series D serial bonds, leaving the capita appreciation bonds outstanding.

**ATTACHMENT B (2)**  
**ACADEMIC FACILITIES BONDING DEBT SERVICE ANALYSIS**  
**UNIVERSITY OF SOUTHERN INDIANA**

I. ISSUE NAME: Student Fee Bonds, Series F

II. TOTAL AMOUNT OF SERIES F BONDS ISSUED AS OF 6/30/2004 \$ 9,660,000

III. SCHEDULE OF PAYMENTS:

FY Ending 6/30	Principal	Payment Date	Interest	(Less) Interest Subsidy	Total Debt Service	Outstanding Principal	Academic Facilities Debt Retirement Reserve Bond Balance		
							Held By Institution	Held By Bond Trustee	Total Reserve
1998	1,240,000	06-01-98	6,358	78,848	1,325,206	14,040,000	0	1,334,261	1,334,261
1999	635,000	10-01-98	682,868	7,338	1,325,206	13,405,000	0	618	618
2000	690,000	10-01-99	628,108	0	1,318,108	12,715,000	0	815	815
2001	715,000	10-01-00	600,174	0	1,315,174	12,000,000	0	656	656
2002	745,000	10-01-01	570,423	0	1,315,423	11,255,000	0	2,031	2,031
2003	780,000	10-01-02	538,770	0	1,318,770	10,475,000	0	85	85
2004	815,000	10-01-03	504,868	0	1,319,868	9,660,000	0	246	246
2005	850,000	10-01-04	468,645	0	1,318,645	8,810,000			
2006	890,000	10-01-05	429,920	0	1,319,920	7,920,000			
2007	930,000	10-01-06	388,970	0	1,318,970	6,990,000			
2008	970,000	10-01-07	345,493	0	1,315,493	6,020,000			
2009	1,020,000	10-01-08	298,970	0	1,318,970	5,000,000			
2010	1,070,000	10-01-09	245,575	0	1,315,575	3,930,000			
2011	1,135,000	10-01-10	184,938	0	1,319,938	2,795,000			
2012	1,195,000	10-01-11	120,863	0	1,315,863	1,600,000			
2013	1,265,000	10-01-12	53,213	0	1,318,213	335,000			
2014	335,000	10-01-13	9,213	0	344,213	0			

Series F bonds were issued in 1998 to finance and refinance a portion of the cost of the Liberal Arts Center and to pay all or a portion of related costs of issuance.

**ATTACHMENT B (3)**  
**ACADEMIC FACILITIES BONDING DEBT SERVICE ANALYSIS**  
**UNIVERSITY OF SOUTHERN INDIANA**

I. **ISSUE NAME:** Student Fee Bonds, Series H

II. **TOTAL AMOUNT OF SERIES H BONDS ISSUED AS OF 6/30/2004:**     \$     24,405,000

III. **SCHEDULE OF PAYMENTS:**

FY Ending 6/30	Principal	Payment Date	Interest	(Less) Interest Subsidy	Total Debt Service	Outstanding Principal	Academic Facilities Debt Retirement Reserve Bond Balance		
							Held By Institution	Held By Bond Trustee	Total Reserve
2002	0	04-01-02	461,356		461,356	25,260,000	0	1,533,705	1,533,705
2003	0	10-01-02	1,221,238		1,221,238	25,260,000	0	122,391	122,391
2004	855,000	10-01-03	1,206,275		2,061,275	24,405,000	0	57	57
2005	885,000	10-01-04	1,175,825		2,060,825	23,520,000			
2006	920,000	10-01-05	1,143,088		2,063,088	22,600,000			
2007	955,000	10-01-06	1,106,738		2,061,738	21,645,000			
2008	1,000,000	10-01-07	1,062,638		2,062,638	20,645,000			
2009	1,045,000	10-01-08	1,015,431		2,060,431	19,600,000			
2010	1,090,000	10-01-09	970,063		2,060,063	18,510,000			
2011	1,145,000	10-01-10	918,275		2,063,275	17,365,000			
2012	1,200,000	10-01-11	862,650		2,062,650	16,165,000			
2013	1,260,000	10-01-12	801,000		2,061,000	14,905,000			
2014	1,330,000	10-01-13	729,775		2,059,775	13,575,000			
2015	1,405,000	10-01-14	654,563		2,059,563	12,170,000			
2016	1,485,000	10-01-15	575,088		2,060,088	10,685,000			
2017	1,565,000	10-01-16	495,125		2,060,125	9,120,000			
2018	1,645,000	10-01-17	414,875		2,059,875	7,475,000			
2019	1,730,000	10-01-18	330,500		2,060,500	5,745,000			
2020	1,820,000	10-01-19	241,750		2,061,750	3,925,000			
2021	1,915,000	10-01-20	148,375		2,063,375	2,010,000			
2022	2,010,000	10-01-21	50,250		2,060,250	0			

Series H bonds were issued in 2001 to provide funds for the construction of the Science/Education Classroom Building, to refinance interim indebtedness, and to pay all related costs of issuance.

**ATTACHMENT B (4)**

**ACADEMIC FACILITIES BONDING DEBT SERVICE ANALYSIS  
FOR UNIVERSITY OF SOUTHERN INDIANA**

I. ISSUE NAME: Student Fee Bonds, Series I

II. TOTAL AMOUNT OF **SERIES I** BONDS ISSUED AS OF 6/30/2004: \$46,265,000

III. SCHEDULE OF PAYMENTS:

FY Ending 6/30	Principal	Payment Date	Interest	(Less) Interest Subsidy	Total Debt Service	Outstanding Principal	Academic Facilities Debt Retirement Reserve Bond Balance		
							Held By Institution	Held By Bond Trustee	Total Reserve
2004	-		-		0	46,265,000		4,953,100	4,953,100
2005	950,000	10-01-04	1,837,381		2,787,381	45,315,000			
2006	1,190,000	10-01-05	2,194,281		3,384,281	44,125,000			
2007	1,230,000	10-01-06	2,157,981		3,387,981	42,895,000			
2008	2,605,000	10-01-07	2,087,431		4,692,431	40,290,000			
2009	2,710,000	10-01-08	1,984,519		4,694,519	37,580,000			
2010	2,825,000	10-01-09	1,863,081		4,688,081	34,755,000			
2011	2,140,000	10-01-10	1,738,956		3,878,956	32,615,000			
2012	2,250,000	10-01-11	1,629,206		3,879,206	30,365,000			
2013	2,365,000	10-01-12	1,513,831		3,878,831	28,000,000			
2014	2,485,000	10-01-13	1,387,922		3,872,922	25,515,000			
2015	2,620,000	10-01-14	1,250,725		3,870,725	22,895,000			
2016	2,765,000	10-01-15	1,106,003		3,871,003	20,130,000			
2017	2,085,000	10-01-16	975,659		3,060,659	18,045,000			
2018	2,195,000	10-01-17	862,006		3,057,006	15,850,000			
2019	2,315,000	10-01-18	743,619		3,058,619	13,535,000			
2020	2,440,000	10-01-19	618,800		3,058,800	11,095,000			
2021	2,570,000	10-01-20	490,500		3,060,500	8,525,000			
2022	2,700,000	10-01-21	358,750		3,058,750	5,825,000			
2023	2,840,000	10-01-22	220,250		3,060,250	2,985,000			
2024	2,985,000	10-01-23	74,625		3,059,625	0			

Series I bonds were issued in 2004 to finance a portion of the cost of construction of the David L. Rice Library Building, to refund Series D serial bonds (eligible for fee replacement), to advance refund Series E bonds (not eligible for fee replacement), and to finance various costs incidental to the financing. The total Series I bond issue is \$49,590,000. The debt service schedule above illustrates the repayment of the new money issue and the refunding Series D issue only. Because Series E was not eligible for fee replacement, the debt service for that portion of Series I has been excluded. The interest due on the new monies portion of Series I bonds in fiscal years 2005, 2006 and 2007 will be paid from capitalized interest held by the bond trustee.



**BACKGROUND I-A**  
**OVERVIEW OF SOURCES OF REVENUE & EXPENDITURES BY CATEGORY**  
**2003-04 BUDGETED DATA**  
**UNIVERSITY OF SOUTHERN INDIANA**

	Legislative Budget (1)	Reconciliation (2)	General Fund Budget (3)=(1)+(2)	Designated & Restricted Funds (4)	Auxiliary Enterprises (5)	TOTAL ALL FUNDS (6)=(3)+(4)+(5)
<b>REVENUE</b>						
Student Tuition/Fees: Gross Fee Base	23,763,884		23,763,884	10,193,593		33,957,477
State Appropriation - Operating	32,690,043		32,690,043			32,690,043
State Appropriation - Debt Service	5,862,166		5,862,166			5,862,166
State Appropriation - Line Item Appropriation					594,778	594,778
Administrative and Indirect Cost Recovery		366,230	366,230			366,230
Sales and Service		1,089,131	1,089,131	2,688,821	17,852,104	21,630,056
Investment, Endowment, and Other Income		150,000	150,000	25,000		175,000
Other Revenue		25,300	25,300	1,831,987	5,691,927	7,549,214
<b>TOTAL REVENUE</b>	<b>62,316,093</b>	<b>1,630,661</b>	<b>63,946,754</b>	<b>14,739,401</b>	<b>24,138,809</b>	<b>102,824,964</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
Salaries & Wages	34,038,739	1,210,346	35,249,085			
Retirement - PERF Program	526,959		526,959			
Retirement - TRF Program	26,214		26,214			
Retirement - TIAA Program	3,392,412		3,392,412			
Social Security	2,565,205		2,565,205			
Life Insurance	111,535		111,535			
Health/Medical Insurance	5,314,014		5,314,014			
Employee Remitted Fees	278,595		278,595			
<b>Total Personal Services</b>	<b>46,253,673</b>	<b>1,210,346</b>	<b>47,464,019</b>	<b>1,315,877</b>	<b>4,403,647</b>	<b>53,183,543</b>
<b>SUPPLIES &amp; EXPENSES</b>						
General S & E	10,053,900	420,315	10,474,215			
Energy	2,550,766		2,550,766			
Utilities	415,426		415,426			
Property & Liability Insurance	808,456		808,456			
<b>Total Supplies &amp; Expenses</b>	<b>13,828,548</b>	<b>420,315</b>	<b>14,248,863</b>	<b>12,969,308</b>	<b>18,604,906</b>	<b>45,823,077</b>
<b>STUDENT ASSISTANCE</b>	<b>2,233,872</b>		<b>2,233,872</b>	<b>52,471</b>		<b>2,286,343</b>
<b>TOTAL EXPENDITURES</b>	<b>62,316,093</b>	<b>1,630,661</b>	<b>63,946,754</b>	<b>14,337,656</b>	<b>23,008,553</b>	<b>101,292,963</b>

**BACKGROUND I-B**  
**OVERVIEW OF SOURCES OF REVENUE & EXPENDITURES BY CATEGORY**  
**2004-05 BUDGETED DATA**  
**UNIVERSITY OF SOUTHERN INDIANA**

	Legislative Budget (1)	Reconciliation (2)	General Fund Budget (3)=(1)+(2)	Designated & Restricted Funds (4)	Auxiliary Enterprises (5)	TOTAL ALL FUNDS (6)=(3)+(4)+(5)
<b>REVENUE</b>						
Student Tuition/Fees: Gross Fee Base	25,999,878		25,999,878	10,421,973		36,421,851
State Appropriation - Operating	33,696,185		33,696,185			33,696,185
State Appropriation - Debt Service	5,859,415		5,859,415			5,859,415
State Appropriation - Line Item Appropriation					594,778	594,778
Administrative and Indirect Cost Recovery		401,765	401,765			401,765
Sales and Service		1,220,269	1,220,269	3,326,225	20,311,994	24,858,488
Investment, Endowment, and Other Income		150,000	150,000	30,000		180,000
Other Revenue		25,300	25,300	2,160,237	6,115,356	8,300,893
<b>TOTAL REVENUE</b>	<b>65,555,478</b>	<b>1,797,334</b>	<b>67,352,812</b>	<b>15,938,435</b>	<b>27,022,128</b>	<b>110,313,375</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
Salaries & Wages	35,841,141	1,336,905	37,178,046			
Retirement - PERF Program	543,311		543,311			
Retirement - TRF Program	26,858		26,858			
Retirement - TIAA Program	3,638,645		3,638,645			
Social Security	2,716,687		2,716,687			
Life Insurance	116,913		116,913			
Health/Medical Insurance	5,560,764		5,560,764			
Employee Remitted Fees	317,604		317,604			
<b>Total Personal Services</b>	<b>48,761,923</b>	<b>1,336,905</b>	<b>50,098,828</b>	<b>1,624,583</b>	<b>4,422,918</b>	<b>56,146,329</b>
<b>SUPPLIES &amp; EXPENSES</b>						
General S & E	10,565,100	460,429	11,025,529			
Energy	2,674,747		2,674,747			
Utilities	447,756		447,756			
Property & Liability Insurance	958,456		958,456			
<b>Total Supplies &amp; Expenses</b>	<b>14,646,059</b>	<b>460,429</b>	<b>15,106,488</b>	<b>13,477,278</b>	<b>21,468,499</b>	<b>50,052,265</b>
<b>STUDENT ASSISTANCE</b>	<b>2,147,496</b>		<b>2,147,496</b>	<b>72,395</b>		<b>2,219,891</b>
<b>TOTAL EXPENDITURES</b>	<b>65,555,478</b>	<b>1,797,334</b>	<b>67,352,812</b>	<b>15,174,256</b>	<b>25,891,417</b>	<b>108,418,485</b>

**BACKGROUND II-A**  
**RETIREMENT OF PRINCIPAL FOR OUTSTANDING CAPITAL DEBT**  
**(Projects Eligible for Fee Replacement)**  
**UNIVERSITY OF SOUTHERN INDIANA**

	<u>Outstanding Principal June 30, 2003</u>	<u>Outstanding Principal June 30, 2004</u>	<u>Outstanding Principal June 30, 2005</u>	<u>Estimated Outstanding Principal June 30, 2006</u>	<u>Estimated Outstanding Principal June 30, 2007</u>
<b>I. <u>Projects Eligible for Fee Replacement</u></b>					
<b>ACTS OF 1953 OR 1965</b>					
Existing Debt: Permanently Scheduled (1)	52,861,247	34,065,000	32,330,000	30,520,000	28,635,000
Existing Debt: Series D CAB (2)	<u>                    </u>	<u>4,082,205</u>	<u>3,608,285</u>	<u>3,163,547</u>	<u>2,749,488</u>
<b>SUBTOTAL</b>	<b>52,861,247</b>	<b>38,147,205</b>	<b>35,938,285</b>	<b>33,683,547</b>	<b>31,384,488</b>
<b>New Debt: Permanent</b>					
A. Series I - Library/Classroom Expansion (3)		34,720,000	34,720,000	34,720,000	34,720,000
B. Series I - Refunding Series D Serial Bonds (4)		11,545,000	10,595,000	9,405,000	8,175,000
C. School of Business/Gen Classroom Bldg (5)		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>33,800,000</u>
<b>SUBTOTAL</b>	<b>0</b>	<b>46,265,000</b>	<b>45,315,000</b>	<b>44,125,000</b>	<b>76,695,000</b>
<b>ACTS OF 1927 OR 1929</b>					
Existing Debt: Permanently Scheduled					
Existing Debt: Interim & Variable Rate					
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>52,861,247</b>	<b>84,412,205</b>	<b>81,253,285</b>	<b>77,808,547</b>	<b>108,079,488</b>

- (1) Permanently scheduled existing debt for FY 2003 includes Student Fee bonds Series D, Series F, and Series H. Beginning FY 2004, only Series F, Series H, and the capital appreciation bonds held within Series D are included in outstanding existing debt. The serial bonds held within Series D will have been refunded by Series I, new debt issued for the Library/Classroom Expansion project (see note 3) by June 30, 2004.
- (2) Outstanding principal on the capital appreciation bonds (CAB) held within Student Fee Bonds, Series D, as discussed in note (1).
- (3) Student Fee Bonds, Series I, new money issued for construction of a new David L. Rice Library and renovation of the existing library to accommodate growth in enrollment.
- (4) Portion of Series I used to refund Series D serial bonds. Series D bonds were originally issued in 1993 to construct the Health Professions Center and to advance refund 1988 Series B bonds issued for construction of the Orr Center.
- (5) Budget Agency Number G-0-05-1-01. Assumes 20-year debt at 5.75% interest rate, capitalized interest during construction, and no principal payments due until the project is complete.

**BACKGROUND II-B**  
**RETIREMENT OF PRINCIPAL FOR OUTSTANDING CAPITAL DEBT**  
**(Projects Not Eligible for Fee Replacement)**  
**UNIVERSITY OF SOUTHERN INDIANA**

	Outstanding Principal June 30, 2003	Outstanding Principal June 30, 2004	Outstanding Principal June 30, 2005	Estimated Outstanding Principal June 30, 2006	Estimated Outstanding Principal June 30, 2007
<b>II. <u>Projects Not Eligible for Fee Replacement</u></b>					
<b>ACTS OF 1927 OR 1929</b>					
<b>Existing Debt: Permanently Scheduled</b>					
A. Student Union Refunding Bonds	85,000				
B. University Center Expansion Bonds (Series E) (1)	3,445,000				
C. Auxiliary System Revenue Bonds (Series 2001A) (2)	21,655,000	20,725,000	19,755,000	18,745,000	17,685,000
<b>Existing Debt: Variable Rate</b>					
A. Recreation and Fitness Center Bonds (Series G)	4,700,000	4,500,000	4,300,000	4,100,000	3,900,000
B. Auxiliary System Revenue Bonds (Series 2001B) (2)	10,700,000	10,600,000	10,400,000	10,200,000	10,000,000
<b>SUBTOTAL</b>	<b>40,585,000</b>	<b>35,825,000</b>	<b>34,455,000</b>	<b>33,045,000</b>	<b>31,585,000</b>
<b>New Debt:</b>					
A. Auxiliary System Revenue Bonds (Series 2003) (3)		8,005,000	8,005,000	7,725,000	7,435,000
B. Refunding Series E (Series I) (4)		3,325,000	3,170,000	2,935,000	2,695,000
C. University Center Expansion (5)					9,750,000
D. Recreation and Fitness Center Expansion - Phase II (6)					7,250,000
E. Student Residence Building (7)					7,750,000
F. Parking Facilities (8)					1,000,000
<b>SUBTOTAL</b>	<b>0</b>	<b>11,330,000</b>	<b>11,175,000</b>	<b>10,660,000</b>	<b>10,130,000</b>
<b>TOTAL</b>	<b>40,585,000</b>	<b>47,155,000</b>	<b>45,630,000</b>	<b>43,705,000</b>	<b>41,715,000</b>

- (1) Series E advance refunded with issue of Student Fee Bonds, Series I, in June 2004.
- (2) Auxiliary System Revenue Bonds, Series 2001A and 2001B, were issued to refund existing variable rate student housing bonds, Series 1996, 1997, and 1998, and to finance the construction of additional student residence facilities.
- (3) Auxiliary System Revenue Bonds, Series 2003, issued to finance the construction of a student residential building.
- (4) A portion of Student Fee Bonds, Series I, were issued to refund outstanding Series E bonds issued in 1995 for the first University Center Expansion project.
- (5) Budget Agency Number G-0-03-2-01. Assumes 20-year debt at 5.75% interest rate, capitalized interest during construction, and no principal payments due until the project is complete.
- (6) Budget Agency Number G-0-05-1-02. Assumes 20-year debt at 5.75% interest rate, capitalized interest during construction, and no principal payments due until the project is complete.
- (7) Budget Agency Number G-0-05-1-03. Assumes 20-year debt at 5.75% interest rate, capitalized interest during construction, and no principal payments due until the project is complete.
- (8) Budget Agency Number G-0-05-1-04.

BACKGROUND III  
SPECIAL FEE REMISSIONS AND/OR WAIVERS INCLUDED AS EMPLOYEE COMPENSATION  
FOR UNIVERSITY OF SOUTHERN INDIANA

I. BUDGET INFORMATION

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Actual		Actual		Base Budget		Projected		Projected	
	Awards	\$	Awards	\$	Awards	\$	Awards	\$	Awards	\$
<b>A. <u>Undergraduate Fee Remissions</u></b>										
a. Resident			1	13,270						
b. Non-Resident										
**Total Undergraduate Fee Remissions**	0	0	1	13,270	0	0	0	0	0	0
<b>B. <u>Graduate Fee Remissions</u></b>										
a. Resident	12	38,988	5	20,390	5	38,761	5	39,924	5	41,122
b. Non-Resident										
**Total Graduate Fee Remissions**	12	38,988	5	20,390	5	38,761	5	39,924	5	41,122
<b>C. <u>Faculty and Staff Courtesy Fee Remissions</u></b>										
1. Employed Faculty or Staff	132	120,946	124	124,688	124	142,296	124	146,564	124	150,961
2. Spouses	21	14,827	22	14,903	22	20,386	22	20,998	22	21,628
3. Dependents of Faculty and Staff	74	82,242	80	87,009	80	116,161	80	119,646	80	123,235
**Total Courtesy Fee Remissions**	227	218,015	226	226,600	226	278,843	226	287,208	226	295,824
<b>D. <u>Other Special Fee Remissions</u></b>										
<b>***TOTAL SPECIAL FEE REMISSIONS***</b>	<b>239</b>	<b>257,003</b>	<b>232</b>	<b>260,260</b>	<b>231</b>	<b>317,604</b>	<b>231</b>	<b>327,132</b>	<b>231</b>	<b>336,946</b>

**BACKGROUND IV  
STUDENT ENROLLMENT BY (CREDIT INSTRUCTION) BY RESIDENCY STATUS  
UNIVERSITY OF SOUTHERN INDIANA**

	<u>2001-02</u> Actual	<u>2002-03</u> Actual	<u>2003-04</u> Estimated	<u>2004-05</u> Projected	<u>2005-06</u> Projected	<u>2006-07</u> Projected
<b>I. ANNUAL HEADCOUNT</b>						
<b>A. Undergraduate</b>						
1. Indiana Resident	9,315	9,490	9,598	9,886	10,183	10,488
2. Non-Resident	646	701	656	676	696	717
3. Reciprocity Non-Resident	438	469	414	426	439	452
<b>B. Graduate/Professional</b>						
1. Indiana Resident	757	798	887	914	941	969
2. Non-Resident	86	128	153	158	163	168
3. Reciprocity Non-Resident	54	67	80	82	84	87
<b>TOTAL</b>	<b>11,296</b>	<b>11,653</b>	<b>11,788</b>	<b>12,142</b>	<b>12,506</b>	<b>12,881</b>
<b>II. ANNUAL FULL-TIME EQUIVALENT (FTE) STUDENTS</b>						
<b>A. Undergraduate</b>						
1. Indiana Resident	6,554	6,782	7,027	7,238	7,455	7,679
2. Non-Resident	495	522	502	517	533	549
3. Reciprocity Non-Resident	296	310	282	290	299	308
<b>B. Graduate/Professional</b>						
1. Indiana Resident	314	338	383	394	406	418
2. Non-Resident	45	66	78	80	82	84
3. Reciprocity Non-Resident	25	31	39	40	41	42
<b>TOTAL</b>	<b>7,729</b>	<b>8,049</b>	<b>8,311</b>	<b>8,559</b>	<b>8,816</b>	<b>9,080</b>

Note: The data for 2003-04 is preliminary. The data submitted on the SIS tape may vary from the data presented on this schedule. The projected data for 2004-05, 2005-06, and 2006-07 is based on a 3% enrollment increase assumption.

**BACKGROUND V  
CAMPUS TECHNOLOGY CHECKLIST  
FOR THE SPRING 2004 TERM  
UNIVERSITY OF SOUTHERN INDIANA**

	YES	NO	<u>Comments/Explanation</u> (Note the extra cost of using this service, if any)
1. Can students apply for admission on-line?	x		
2. Can students register on-line?	x		
3. Can students drop/add on-line?	x		
4. Can students see their statements of account (charges, payments) on-line?	x		
5. Can students/parents make on-line (charge card) payments?	x		
6. Can students apply for financial aid on-line?	x		
7. Can students see their grades on-line?	x		
8. Can students request a transcript on-line?	x		
9. Can students electronically check the status of library books?	x		
10. Is off-campus dial-up access to the campus network provided?	x		
11. Is each student assigned an account?	x		
12. Is each faculty member assigned an account?	x		
13. May students keep their accounts after they graduate or leave the institution?	x		
14. May alumni obtain an account?	x		
15. Is server space provided for each student to have a personal web page, if desired?	x		
16. Is server space provided for each faculty member to have a personal web page, if desired?	x		
17. Is server space provided for each faculty member to have a work-related web page, if desired?	x		
18. Is telephone technical support provided to all accounts?	x		
19. Is one-on-one (person-to-person) technical support offered for student-owned computers?	x		
20. Do all student residence halls have computer labs?	x		

21. How many computers are available on campus for students to use .....	
in unrestricted general-use computer labs?	<u>315</u>
in computer labs reserved for specific courses?	<u>738</u>
in shared or multi-purpose computer labs?	
<i>Total Computers</i>	<u><u>1,053</u></u>
22. What percent of student rooms in on-campus student housing have a direct network connection?	<u>100%</u>
23. For residence hall rooms shared by more than one student, does each student have his/her own connection? (Please answer: always, usually, sometimes, rarely, or never)	<u>Usually</u>
24. During peak hours, what is the typical number of off-campus dial-up attempts prior to connection?	<u>Most go through the web, not dial-up</u>
25. During peak hours, how long is the typical wait to use a computer in an unrestricted lab?	<u>10 minutes</u>

**BACKGROUND VI**  
**2004-05 BUDGETED EXPENDITURES FOR PLANT OPERATIONS AND MAINTENANCE**  
**UNIVERSITY OF SOUTHERN INDIANA**

	<u>Research and Nonclass Laboratory Facilities</u>	<u>Other Facilities</u>	<u>All Facilities</u>
<b>A. PERSONAL SERVICES</b>	<b>\$0</b>	<b>\$2,834,173</b>	<b>\$2,834,173</b>
<b>B. SUPPLIES &amp; EXPENSES</b>			
1. General S & E	\$0	\$1,584,774	\$1,584,774
2. Energy	\$0	\$1,872,323	\$1,872,323
3. Utilities	\$0	\$313,429	\$313,429
4. Fire & Casualty Insurance	\$0	\$670,919	\$670,919
<b>TOTAL SUPPLIES &amp; EXPENSE</b>	<b>\$0</b>	<b>\$4,441,445</b>	<b>\$4,441,445</b>
<b>C. TOTAL PLANT OPERATIONS &amp; MAINTENANCE EXPENDITURES (A + B)</b>	<b>\$0</b>	<b>\$7,275,618</b>	<b>\$7,275,618</b>
<b>D. TOTAL GROSS SQUARE FEET</b>	<b>0</b>	<b>1,035,943</b>	<b>1,035,943</b>
<b>E. TOTAL ASSIGNABLE SQUARE FEET</b>	<b>0</b>	<b>729,870</b>	<b>729,870</b>
<b>F. PLANT O&amp;M EXPENDITURES PER GSF (C ÷ D)</b>	<b>\$0.000</b>	<b>\$7.023</b>	<b>\$7.023</b>
<b>G. PLANT O&amp;M EXPENDITURES PER ASF (C ÷ E)</b>	<b>\$0.000</b>	<b>\$9.968</b>	<b>\$9.968</b>
Total campus academic/administrative assignable square feet	729,870		
Total assignable square feet classified as research/nonclass laboratory	19,368		



**BACKGROUND VII**  
**EXTERNALLY SPONSORED RESEARCH COSTS AND UNIVERSITY GENERAL FUND SUPPORT FOR RESEARCH**  
**UNIVERSITY OF SOUTHERN INDIANA**

University of Southern Indiana

	1999-2000 <u>Actual</u>	2000-01 <u>Actual</u>	2001-02 <u>Actual</u>	2002-03 <u>Actual</u>	2003-04 <u>Projected</u>	2004-05 <u>Projected</u>	2005-06 <u>Projected</u>
<b>I. Total Externally Funded Research Costs<sup>1</sup></b>							
A. Federal Appropriations, Grants, and Contracts	\$ 7,599	\$ 44,215	\$ 63,127	\$ 35,833	\$ 15,350	\$ 16,041	\$ 16,763
B. Industrial Grants and Contracts	-	-	-	2,586	10,700	11,182	11,685
C. Non-Profit and Other Grants and Contracts (excluding state and local government)	<u>81,534</u>	<u>80,672</u>	<u>77,684</u>	<u>4,004</u>	<u>1,600</u>	<u>1,672</u>	<u>1,747</u>
Subtotal	<u>\$ 89,133</u>	<u>\$ 124,887</u>	<u>\$ 140,811</u>	<u>\$ 42,423</u>	<u>\$ 27,650</u>	<u>\$ 28,895</u>	<u>\$ 30,195</u>
Less: Equipment Expenditures	-	-	-	-	-	-	-
Less: Cost Sharing Recorded in Project Accounts	-	-	-	-	-	-	-
D. Eligible Externally Funded Research Costs	<u>\$ 89,133</u>	<u>\$ 124,887</u>	<u>\$ 140,811</u>	<u>\$ 42,423</u>	<u>\$ 27,650</u>	<u>\$ 28,895</u>	<u>\$ 30,195</u>
Increase in Eligible Externally Funded Research Costs		\$ 35,754	\$ 15,924	\$ (98,388)	\$ (14,773)	\$ 1,245	\$ 1,300
<b>II. Contributions to Facilities and Administrative Costs</b>							
E. Calculated Facilities and Administrative Costs <sup>2</sup>	\$ 29,146	\$ 39,853	\$ 54,417	\$ 14,099			
F. Facilities and Administrative Costs Recovered	<u>4,261</u>	<u>16,580</u>	<u>4,392</u>	<u>10,243</u>			
G. Total Unrecovered Facilities and Administrative Costs (E - F)	<u>\$ 24,885</u>	<u>\$ 23,273</u>	<u>\$ 50,025</u>	<u>\$ 3,856</u>			
<b>III. Direct Cost Support from University General Funds</b>							
H. Cost Sharing	-	-	-	-			
I. Voluntary Cost Sharing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
J. Total Direct Cost Support (H + I)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>IV. Total University Support of Research from General Funds (G + J)<sup>3</sup></b>	<u>\$ 24,885</u>	<u>\$ 23,273</u>	<u>\$ 50,025</u>	<u>\$ 3,856</u>			
<b>V. % University Support to Total Research Expenditures (IV ÷ D)</b>	28%	19%	36%	9%			

**Notes:**

1. Includes expenditures of externally supported research grants and contracts. Institution certifies these costs are consistent with general ledger balances.
2. Based upon proposed F&A cost rate for most recent indirect cost proposal for the fiscal year. Identify cognizant agency and date of last review.  
 Cognizant Agency: Department of Health & Human Services  
 Last review: July 1, 2003
3. Institutions should be prepared to reconcile all reported costs--both externally sponsored and institutional--to audited financial statements.

**BACKGROUND VIII**  
**EXPENDITURE OF FISCAL YEAR 2004 AND FISCAL YEAR 2005 QUALITY IMPROVEMENT FUNDING**  
**UNIVERSITY OF SOUTHERN INDIANA**

	<u>2003-04 Expended</u>		<u>2004-05 Budgeted</u>	
	<u>Total Start-Up Funded</u>	<u>Change from Previous Year</u>	<u>Total Start-Up Funded</u>	<u>Change from Previous Year</u>
<b><u>Engineering Equipment and Program Needs</u></b>				
<b>I. BUDGET INFORMATION</b>				
Program Revenue				
State Appropriation	250,000	250,000	600,000	350,000
Program Expenditures				
Personal Services	121,025	121,025	270,335	149,310
Supplies & Expense			12,000	12,000
Library Resources	8,938	8,938		(8,938)
Capital Equipment	120,037	120,037	317,665	197,628
Total Program Expenditures	250,000	250,000	600,000	350,000
Number of Faculty Hires				
Full Time FTE	2	2	4	2
<b>II. ENROLLMENT</b>				
Annual FTE	141	141	173	32
Annual Headcount	204	204	250	46

LINE ITEM I  
SUMMARY OF PROPOSED LINE ITEM PROJECTS  
UNIVERSITY OF SOUTHERN INDIANA

	2004-05 Budget Total	2005-06 Request			2006-07 Request		
		Increase	%	Total	Increase	%	Total
<b><u>HISTORIC NEW HARMONY</u></b>							
State General Funds	356,216	38,303	10.8%	394,519	11,836	3.0%	406,355
Other Revenues							
New Harmony Operations	139,500	0	0.0%	139,500	0	0.0%	139,500
Gifts and Grants	177,000	0	0.0%	177,000	0	0.0%	177,000
University Support	358,251	(7,372)	-2.1%	350,879	20,019	5.7%	370,898
Subtotal Other Revenues	674,751	(7,372)	-1.1%	667,379	20,019	3.0%	687,398
<b>TOTAL</b>	<b>1,030,967</b>	<b>30,931</b>	<b>3.0%</b>	<b>1,061,898</b>	<b>31,855</b>	<b>3.0%</b>	<b>1,093,753</b>
<b><u>LINCOLN AMPHITHEATRE</u></b>							
State General Funds							
Base Appropriation	238,562	42,072	17.6%	280,634	68,539	24.4%	349,173
Special Capital Appropriation	0	245,000		245,000	0	0.0%	245,000
Subtotal State General Funds	238,562	287,072	120.3%	525,634	68,539	13.0%	594,173
Other Revenues							
Lincoln Amphitheatre Operations	152,103	55,755	36.7%	207,858	(31,442)	-15.1%	176,416
Gifts and Grants	37,000	1,650	4.5%	38,650	1,733	4.5%	40,383
University Support	96,658	(34,707)	-35.9%	61,951	(22,064)	-35.6%	39,887
Subtotal Other Revenues	285,761	22,698	7.9%	308,459	(51,773)	-16.8%	256,686
<b>TOTAL</b>	<b>524,323</b>	<b>309,770</b>	<b>59.1%</b>	<b>834,093</b>	<b>16,766</b>	<b>2.0%</b>	<b>850,859</b>
<b><u>TOTAL LINE ITEM PROJECTS</u></b>							
State General Funds							
Base Appropriation	594,778	80,375	13.5%	675,153	80,375	11.9%	755,528
Special Capital Appropriation	0	245,000		245,000	0	0.0%	245,000
Subtotal State General Funds	594,778	325,375	54.7%	920,153	80,375	8.7%	1,000,528
Other Revenues							
Operations	291,603	55,755	19.1%	347,358	(31,442)	-9.1%	315,916
Gifts and Grants	214,000	1,650	0.8%	215,650	1,733	0.8%	217,383
University Support	454,909	(42,079)	-9.2%	412,830	(2,045)	-0.5%	410,785
Subtotal Other Revenues	960,512	15,326	1.6%	975,838	(31,754)	-3.3%	944,084
<b>GRAND TOTAL</b>	<b>1,555,290</b>	<b>340,701</b>	<b>21.9%</b>	<b>1,895,991</b>	<b>48,621</b>	<b>2.6%</b>	<b>1,944,612</b>

# **LINE ITEM REQUEST**

## **HISTORIC NEW HARMONY**

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Located on the banks of the Wabash River, New Harmony was founded before Indiana became a state. Indeed, those who shaped New Harmony later shaped the complexion of Indiana, drafting its Constitution, establishing its first schools, leading its first public universities, and promoting intellectualism and scientific advancement in what was then America's frontier. The first communal group, the Harmonists, started building the town in 1814 and established a thriving community in ten years. In 1824, industrialist and social reformer Robert Owen of Scotland bought the entire town and set out to develop a community based on education and equality for all. As a result of the work of Owen and his partner William Maclure, the ideas and people of New Harmony had a profound impact on the nation.

New Harmony's importance to the state and nation was underscored in 1965 when it was designated as a National Historic Landmark District by the U.S. Department of Interior. Today, New Harmony's legacy as a national treasure is preserved and interpreted in programs and exhibits that reach approximately 40,000 visitors from Indiana and throughout the world each year.

### **STATE, CORPORATE, AND UNIVERSITY INVOLVEMENT**

In 1937, the Indiana General Assembly passed the New Harmony Memorial Commission Act and a statewide one-mill tax for the Memorial which would fund the legislatively-defined educational programs in New Harmony. The first New Harmony Memorial Commission was appointed by Governor M. Clifford Townsend in 1939. After a respite of inactivity during the wartime years, the New Harmony Commission was reconstituted in 1965 by Governor Roger D. Branigin to ensure continued protection of the New Harmony area for the citizens of Indiana. The statutory mandates of the Commission include recommending legislation to protect all of New Harmony, conducting a survey and establishing a plan for the New Harmony area, and promoting and enhancing New Harmony as a tourist destination.

The State of Indiana has taken an active role in acquiring and preserving historic and natural sites in and around New Harmony. In 1943, the Indiana Department of Conservation (the forerunner of the Department of Natural Resources) approved a preliminary plan for the development of the New Harmony State Memorial. Then, in 1955, several historic properties

were placed in the custody of the Department of Conservation. During the administration of Governor Edgar D. Whitcomb, the importance of New Harmony was recognized and planning moved forward to develop the Harmonie State Recreation area to further augment the preservation of New Harmony and natural areas surrounding it.

Several corporate, foundation, and education entities have been involved with preservation and education activities over the years, the most notable being Historic New Harmony, Inc., a nonprofit foundation which was founded in 1974 to develop an organizational and financial base. With the support of the Lilly Endowment, Historic New Harmony, Inc. was able to purchase and restore a wide variety of historic sites, leading to establishing the community as a primary southern Indiana tourist attraction.

In order to establish long-term management stability for New Harmony's educational programs and to maintain the historic facilities, the State of Indiana asked the University of Southern Indiana to assume operational control of Historic New Harmony in 1985. In addition to the programmatic responsibilities, the University accepted ownership of over 40 historically significant properties. At the time of this transfer, there was general agreement that over time, state appropriations would be made available to support the preservation, education, and interpretive programs necessary to realize the mission of the site.

In 1989, the State of Indiana, through the Sunset Commission, recommended that there be a Unified Program for New Harmony's historical museum activities. This recommendation led to the unification of the Department of Natural Resources (DNR) historic sites with the USI properties through a contract of agreement that established USI as the manager of the site with DNR providing curatorial support. Over the years the Unified Program has worked well. The increased number of educational programs attracts many additional tourists and scholars to this important living museum. The approximately 40,000 people who visit New Harmony annually include nearly 8,000 school children from Indiana, Kentucky, and Illinois schools. In addition to the educational programming, the New Harmony Gallery of Contemporary Art offers rotating exhibits of work by artists of national and regional reputation. The New Harmony Theatre, managed by the USI Theatre Department, is Indiana's only Actors Equity theatre outside of Indianapolis, and offers three major productions in the summer months.

## **STATEMENT OF NEED**

The University of Southern Indiana has been responsible for operating and maintaining the New Harmony historic sites since 1985. During this period, the University was responsible

for all operational expenses that exceeded revenue. In addition, the University performed at its expense, all ongoing repairs and renovations to the historic sites. Portions of the repair and renovation expenditures came from the appropriations provided by the state to the University for upkeep of its educational facilities. Since the initiation of the Unified Program, the University also has provided routine maintenance of and utilities for DNR properties in New Harmony.

The repair and rehabilitation funds received by the University are needed to maintain the campus facilities. At the same time, the historic properties located in New Harmony continue to require rehabilitation and restoration to maintain their preservation value as tourist facilities. Without the continued investment of state funds for New Harmony properties, maintenance of both the campus educational facilities and those in New Harmony will suffer.

The budget for operational expenditures is equally critical. To compete for tourist trade in today's market requires continual attention to updating and promoting the programmatic functions in the historic sites. Promotional and marketing materials, educational exhibits, and interpretive programs must continually be updated and refreshed with new ideas intended to encourage both initial and return visits to New Harmony. As with maintenance of the facilities, the University's scarce operating budgets must be used to meet the needs of the University's educational mission before expenditures for its outreach mission. Since enrollment has continued to grow while appropriations to match the increase have lagged behind, it is becoming more difficult to funnel additional operating dollars to areas that do not directly support the instructional function.

Fundraising through the nonprofit USI/New Harmony Foundation, Inc. and support from volunteers in fundraising activities enable the University to supplement the New Harmony operating budget by approximately \$60,000 annually. The preservation mission of Historic New Harmony also requires the University to raise private money for capital restoration projects as well. Grants from private foundations provide limited additional sources of funding for selected projects and programs. Important as these efforts are, they are insufficient to cover the costs associated with preserving the heritage of New Harmony while also providing the educational and cultural programs expected of a significant historical site.

It is clear, from reviewing the history of the state's actions to preserve New Harmony's history and facilities, the state always intended to provide support, either through a tax levy or through the budgets of state agencies.

## **OUTCOMES AND BENEFITS**

New Harmony is a national treasure that must be preserved to showcase Indiana's role in the history of a developing nation. There are many compelling reasons to provide funding for facility maintenance and programming:

- It will ensure the preservation and promotion of New Harmony's heritage.
- It will allow the University to promote greater interest in the community's culture and add substantially to Indiana's tourism efforts. The major metropolitan centers from which New Harmony draws many visitors are Indianapolis, Louisville, St. Louis, Chicago, and Nashville. Because many of New Harmony's visitors come from other states and nations, the tourism dollars are new to Indiana's economy and therefore, more valuable.
- It will allow the University to continue, through its New Harmony outreach program, to provide educational opportunities for regional school systems.
- It will sustain a living laboratory for University instructional and applied research programs.
- It will ensure the continuation of a center for historical and educational exhibits, performing arts, and visual arts.

## **BUDGET REQUEST**

In 1990, the New Harmony Memorial Commission appointed by Governor Evan Bayh concluded that in order for the state and national historic treasure of New Harmony to be fully realized, the State of Indiana should fund a budget of \$300,000 annually toward the operation and maintenance of the historic sites. At that time no state appropriation was made available for the project due to the fiscal condition of the state. Since then, the University has maintained its responsibility for operating and maintaining Historic New Harmony.

Included for the first time in the state's 1999-2001 biennial budget, 15 years after the University assumed operational control of New Harmony, was a \$400,000 line item appropriation in the second year of the biennium for the ongoing operation and maintenance of

Historic New Harmony. While this appropriation did not cover all of the operational expenses for Historic New Harmony, it did allow the University to redirect institutional dollars for on-campus instructional needs.

In the 2001-2003 biennial budget, the University requested a three-and-one-half percent increase in the line item appropriation for Historic New Harmony. However, in the as-passed budget for FY 2001-2003, the operating appropriation was reduced to \$391,713 for FY 2001-2002 and \$383,028 for FY 2002-2003. Because of a slowdown in the state's economy and declining revenues, further budget cuts by the Governor were announced in March 2002. As a result of the Governor's Budget Deficit Management Plan, the line item appropriation for Historic New Harmony was reduced by an additional seven percent to \$356,216 for FY 2002-2003.

In the 2003-2005 biennial budget, the University requested a four percent increase each year of the biennium on the reduced FY 2002-2003 base of \$356,216 in the line item appropriation for Historic New Harmony. In the as-passed budget for 2003-2005, the appropriation was not increased and was held at the same funding level as FY 2002-2003.

Since the University received the first state appropriation for Historic New Harmony in FY 2000-2001, the appropriation level has decreased. It has become increasingly difficult to fund the required expenditures in New Harmony. With a decrease in funding for the repair and rehabilitation formula, maintenance of many of the historic buildings has been delayed. Even with reduced appropriations, the University with its scarce resources continues to fulfill its responsibilities in providing support for Historic New Harmony. The University appreciates the operating appropriation approved by the Indiana General Assembly; however, it is critically important that cuts in funding for Historic New Harmony be restored and additional funding be appropriated.

The following chart outlines a history of the funding for Historic New Harmony. It shows the decrease in funding levels since the University received the first appropriation in FY 2000-2001.



## STATE APPROPRIATIONS FOR HISTORIC NEW HARMONY

Fiscal Year	USI Budget Request For Historic New Harmony	As-Passed Budget	Percent Change
1999-2000	\$400,000	\$0	
2000-2001	\$414,000	\$400,000	
2001-2002	\$414,000	\$391,713	-2.1% Decrease
2002-2003	\$428,000	\$383,028	-2.2% Decrease
2002-2003 Budget Reduction		\$356,216	-7.0% Decrease
2003-2004	\$370,625	\$356,216	0% Increase
2004-2005	\$385,275	\$356,216	0% Increase
2005-2006	<b>\$394,519</b>		
2006-2007	<b>\$406,355</b>		

The University requests continued funding of the line item appropriation for Historic New Harmony in the 2005-2007 biennium. To support the preservation, education, and interpretive programs of this state and national treasure, the University requests:

- restoration of the seven percent reduction in the line item appropriation in FY 2002-2003; and
- a three percent increase on the restored base of the line item appropriation in FY 2005-2006 and FY 2006-2007.

Funding the University's 2005-2007 Line Item Budget Request for Historic New Harmony will restore the budget to the funding level in 2000-2001.

SUMMARY OF BUDGET REQUESTS

State Form 5105(R2) Rev. 6-86

Budget Agency Form B-6

Agency Name	UNIVERSITY OF SOUTHERN INDIANA	Page 1 of 1
Unit Name	Historic New Harmony	
Acct. Number		Historic New Harmony

PURPOSE OF APPROPRIATION		To provide support for facility maintenance and programming expenditures for the Unified Program in Historic New Harmony.						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EXPENDITURE CATEGORIES FUNDED BY SECTION AND OTHER DATA	AGENCY ACTUAL EXPENDITURES		CURRENT YEAR AGENCY EST'D EXPENDITURES	BUDGET AGENCY ESTIMATED EXPENDITURES	AGENCY REQUEST		BUDGET AGENCY RECOMMENDATION	
	FY 02-03	FY 03-04	FY 04-05	FY 04-05	FY 05-06	FY 06-07	FY 05-06	FY 06-07
Salaries & Wages	407,896	436,625	432,582		445,560	458,927		
Fringe Benefits	108,492	123,394	133,650		137,659	141,788		
Other Personal Services								
<b>.1 TOTAL PERSONAL SERVICES</b>	<b>516,388</b>	<b>560,019</b>	<b>566,232</b>		<b>583,219</b>	<b>600,715</b>		
.2 Services Other Than Personal								
.3 Service By Contract								
.4 Supplies, Materials, Parts	342,455	350,953	336,167		346,253	356,639		
.5 Equipment	106,051	116,081	111,518		114,864	118,310		
.7 Grants/Subsidies/Awards								
.8 In-State Travel	6,990	7,813	6,700		6,901	7,108		
.9 Out-of-State Travel	11,151	12,081	10,350		10,661	10,981		
<b>TOTAL OTHER OPERATING</b>	<b>466,647</b>	<b>486,928</b>	<b>464,735</b>		<b>478,679</b>	<b>493,038</b>		
<b>GRAND TOTAL</b>	<b>983,035</b>	<b>1,046,947</b>	<b>1,030,967</b>		<b>1,061,898</b>	<b>1,093,753</b>		
Funded by General Fund	356,216	356,220	356,216		394,519	406,355		
Other Revenue								
New Harmony Operations	144,848	132,390	139,500		139,500	139,500		
Gifts and Grants	203,750	204,603	177,000		177,000	177,000		
University Support	278,221	353,734	358,251		350,879	370,898		
<b>GRAND TOTAL CHECK</b>	<b>983,035</b>	<b>1,046,947</b>	<b>1,030,967</b>		<b>1,061,898</b>	<b>1,093,753</b>		

CONSOLIDATION OF BUDGET REQUEST

State Form 21707(R) Rev. 6-86

Budget Agency Form B-13

Agency Name	UNIVERSITY OF SOUTHERN INDIANA	Page 1 of 1
Unit Name	Historic New Harmony	
Acct. Number		Historic New Harmony

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MAJOR OBJECT CATEGORIES BY BASE BUDGET AND NEW PROGRAMS	AGENCY ACTUAL EXPENDITURES		CURRENT YEAR AGENCY EST'D EXPENDITURES	BUDGET AGENCY ESTIMATED EXPENDITURES	AGENCY REQUEST		BUDGET AGENCY RECOMMENDATION	
	FY 02-03	FY 03-04	FY 04-05	FY 04-05	FY 05-06	FY 06-07	FY 05-06	FY 06-07
.1 Personal Services								
Base Budget (Forward to B-6)	516,388	560,019	566,232		566,232	583,219		
Increases:								
2005-06					16,987			
2006-07						17,496		
.4 Supplies/Materials/Parts								
Base Budget (Forward to B-6)	342,455	350,953	336,167		336,167	346,253		
Increases:								
2005-06					10,086			
2006-07						10,386		
.5 Equipment								
Base Budget (Forward to B-6)	106,051	116,081	111,518		111,518	114,864		
Increases:								
2005-06					3,346			
2006-07						3,446		
.8 Travel								
Base Budget (Forward to B-6)	18,141	19,894	17,050		17,050	17,562		
Increases:								
2005-06					512			
2006-07						527		
GRAND TOTAL	983,035	1,046,947	1,030,967		1,061,898	1,093,753		

# LINE ITEM REQUEST

## LINCOLN AMPHITHEATRE

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In 1987, after ten years of planning and fund raising by The Lincoln Boyhood Drama Association, Lincoln Amphitheatre, located in Lincoln State Park in Lincoln City, Indiana, opened with the first summer season of Billy Edd Wheeler's play, *Young Abe Lincoln*. The \$3.6 million facility with seating for 1,500 people was designed to accommodate the outdoor musical drama about Abraham Lincoln's boyhood in Indiana from age seven to age twenty-one.

### BACKGROUND

The Lincoln Boyhood Drama Association produced the first season of the musical in the outdoor amphitheatre. The season ended with a deficit and with no funds to produce a subsequent season. Holiday World, a locally owned amusement facility, assumed responsibility of the production of the play in 1988, but also incurred a deficit. Concern for the long-term success of the facility and the production prompted the Department of Natural Resources (DNR) and Holiday World to approach the University of Southern Indiana to enter into a contractual agreement to produce the play in partnership with Holiday World. For the continued success of the production, DNR sought and received a \$200,000 legislative appropriation in 1989 to support the production. In 1990, Holiday World relinquished management of the play, and the University of Southern Indiana, through a contractual agreement with DNR, assumed all management and production responsibilities of Lincoln Amphitheatre.

After five seasons of *Young Abe Lincoln* there was a growing need to provide variety in the production to increase attendance. In 1992 a second production, *Big River*, was introduced to run on alternate nights throughout the summer with *Young Abe Lincoln*. The second production provided increased attendance for several seasons, but as attendance began to decline, the need for a new companion production was evident. In 1995, additional funding in the amount of \$50,000 was sought from the legislature to increase the original \$200,000 appropriation to support the operating expenses of the production and to start a new companion production. For the 1996 and 1997 seasons a temporary increase of \$25,000 through DNR's budget was added to the appropriation to help produce the companion performance of *Oklahoma*. During the 1997 legislative session, the appropriation for *Young Abe Lincoln* was

increased to \$250,000. Also, by mutual agreement, a transfer of the appropriation from DNR to a line item appropriation for the University of Southern Indiana was requested.

## **OUTCOMES AND BENEFITS**

During the 1999 legislative session, the \$250,000 appropriation for *Young Abe Lincoln* was transferred as a line item from DNR's State Park Division to the University of Southern Indiana. Transfer of the appropriation has:

- increased the efficiency in the financial operation of the theatre;
- improved the management of capital expenses;
- reduced the costs in administering the finances of the theatre; and
- enhanced the overall management of the theatre resulting in improved planning and operation of the multiple productions.

According to a study conducted by the University of Southern Indiana School of Business, productions at Lincoln Amphitheatre have a significant economic impact upon the region. Expenditures associated with the productions, by the casts and crews and overnight visitors, are estimated at approximately \$750,000 annually. With the Lincoln Bicentennial Celebration approaching in 2009, the Amphitheatre's economic impact on the region will certainly increase.

The close relationship between Lincoln Amphitheatre and the USI Theatre program affords Indiana's young artists a unique opportunity to have their first professional theatre experience as performers, technicians, or administrators at Lincoln Amphitheatre. These individuals work with other young professionals from across the nation, under supervisors who are generally professors or staff members from regional theatres. By providing this opportunity in Indiana, Lincoln Amphitheatre helps these creative young people view their home state as a place where they can pursue future professional opportunities.

## **CHALLENGES**

Through a contractual agreement since 1988 with DNR, the University of Southern Indiana has been involved with the production and management of *Young Abe Lincoln*. Over the past 16 years, the University, in partnership with DNR, has worked to develop Lincoln Amphitheatre. The University has gained the expertise needed to successfully manage the theatre and has demonstrated its commitment to the production and its long-term success.

For several years, the University of Southern Indiana has attempted to diversify its offerings at Lincoln Amphitheatre to attract a wider audience to the productions and, importantly, to enhance revenue. Events and activities have included:

- “Psycho Path” - a haunted house on the weekends leading up to Halloween;
- Lincoln Kaleidoscope - a summer dance concert series;
- Theatre for Young Adults; and
- “*Celebrate America*” - a Memorial Day concert in partnership with the Evansville Philharmonic Orchestra

While these events generally have been financially successful in the first year, they do not generate the same level of interest or revenue in the second or subsequent years. New events are staged to continue to diversify the activities at the Amphitheatre, but there are added production costs and significant planning required in producing multiple events on an annual basis. During the summer of 2004, two popular music concerts will be held following the close of the theatre season.

## STATE APPROPRIATIONS

State appropriations support the operating expenses of the production and start-up costs for the companion performances produced on a two-year cycle. In addition to *Young Abe Lincoln*, the University has produced five companion musicals since 1992:

- *Big River* - 1992 through 1996
- *Oklahoma* - 1997 and 1998
- *Music Man* - 1999 and 2000
- *The Sound of Music* - 2001 and 2002
- *Fiddler on the Roof* - 2003 and 2004

The second performance was introduced to provide variety with a goal of increasing attendance at the Amphitheatre. Historically, attendance increases the first year of the companion performance and decreases the second year. In 2002, the second year of the production of *The Sound of Music*, there was a significant drop in ticket sales that was unprecedented in the Amphitheatre’s history of running a “companion” musical to *Young Abe Lincoln*. With previous performances, total ticket sales for the companion musical dropped an average of 27 percent in the second year of production. With *The Sound of Music*, ticket sales

dropped by 44 percent in 2002 over the previous year. The drop in ticket sales was significantly below anticipated levels.

In 2003, a new production of *Fiddler on the Roof* was offered as the companion musical to *Young Abe Lincoln*. One of the most popular musicals in American theatre for the past four decades, *Fiddler on the Roof* was expected to draw nearly as well as *The Sound of Music* had in its first year. Contrary to these expectations, attendance at *Fiddler on the Roof* was more than 27 percent less than first-year attendance for *The Sound of Music*. Amphitheatre management has taken steps to boost second-year attendance in 2004 for *Fiddler on the Roof* by hiring a highly experienced marketing coordinator and instituting an aggressive, regional marketing plan.

In general, outdoor drama across the country saw a dramatic decline in attendance in 2002 and 2003. Several factors including weather, the poor state and national economy, and a general decline in tourism following 9/11 contributed to the drop in ticket sales. The decrease in state appropriation and a resulting cutback in production values also may have contributed to the decline in attendance.

## **PRODUCTION COST DRIVERS AND NEEDS**

The costs of lumber and structural steel needed for set construction and repairs have skyrocketed during the past two years and are expected to climb even higher. Transportation costs for the cast and crew between the Amphitheatre and housing, rehearsal halls, and construction shops in Evansville also have increased at a level far exceeding inflation, due to gasoline prices. Water and sewer utility costs also are assumed to increase at a rate greater than inflation, based on the stated plans of the local utility. In order to achieve even modest growth in revenues, marketing and advertising expenses will need to increase at a rate greater than inflation.

Even as the University attempts to expand the range of its programming at Lincoln Amphitheatre and attract new audiences to a greater diversity of events, the seventeen-year-old facility and the scenery and costumes for *Young Abe Lincoln* are in need of considerable refurbishing. The aging of the amphitheatre, failure to meet changes in American with Disabilities Act (ADA) requirements, and the cumulative effect of years of wear-and-tear have led to a decline in both audience comfort and in production values. There is evidence that the decline is negatively affecting attendance and the economic viability of Lincoln Amphitheatre. To arrest this decline, capital investment is essential.

After 16 years, original sets and costumes for *Young Abe Lincoln* are still in use and in critical need of replacement. Both the administrative and artistic leadership of Lincoln Amphitheatre believe that a new script and score for *Young Abe Lincoln* are necessary to revive interest in the production. Current estimates for development of a new script and score and replacement of sets and costumes are approximately \$150,000. Other major capital projects include improvements to the lighting system, the sound system, and the stage. Also, the parking lot of the amphitheatre needs to be resurfaced and plans for additional handicapped restrooms, to bring the facility into better compliance with the Americans with Disabilities Act (ADA), previously postponed, need to be implemented.

These capital needs were presented in the 2003-2005 Line Item Budget Request for Lincoln Amphitheatre, but were not funded.

While the cost of these improvements total more than the operating appropriation for the production, it is imperative that progress be made in addressing these critical needs for the ongoing viability of *Young Abe Lincoln* and Lincoln Amphitheatre.

## **FINANCIAL CONSIDERATIONS**

For many years, the University of Southern Indiana has used institutional resources to subsidize the operation of *Young Abe Lincoln*. When the University undertook the management of the production, it was never intended that capital expenditures for the repair and rehabilitation of the Amphitheatre would be the University's responsibility. The University has supported the production in a spirit of community service and to contribute to the Spencer County economy. The subsidy for the Lincoln Amphitheatre comes from the University's general operating budget, which is funded through a combination of tuition and fees from students and state support for the operation of the University.

As state support for the operation of the University declines, it is increasingly difficult to target funds for Lincoln Amphitheatre. Additionally, it is difficult to explain to students who have faced tuition and fee increases that a portion of their tuition and fee payment is used to subsidize *Young Abe Lincoln*.

The University has developed a plan to phase out its subsidy of Lincoln Amphitheatre. The University's subsidy to Lincoln Amphitheatre peaked at \$121,559 in FY 2002-2003, declining to \$98,493 in FY 2003-2004 and is projected to be \$80,334 in 2004-2005. These



reductions reflect the University's plan to gradually reduce the subsidy to Lincoln Amphitheatre until it reaches zero in FY 2007-2008.

The University's plan to phase out the subsidy to *Young Abe Lincoln* places substantial pressure on the theatre program at Lincoln Amphitheatre, especially in light of the reduced line item appropriation from the state and a \$490,000 backlog of high priority deferred maintenance capital projects.

## **BUDGET REQUEST**

There are no easy solutions to this financial dilemma. The University has developed two options for the future funding for Lincoln Amphitheatre.

1. Provide a one-time capital appropriation of \$490,000 in the 2005-2007 biennium and increase the state's current \$238,562 line-item appropriation to \$280,634 in FY 2005-2006 and \$349,173 in FY 2006-2007. This would allow the completion of the needed capital improvements and reduce the University's subsidy to Lincoln Amphitheatre.
2. Close Lincoln Amphitheatre for two seasons during the 2005-2007 biennium and reallocate the existing annual operating appropriation of \$238,562 per year for two years into a single \$477,124 capital appropriation. The University could subsidize the additional \$12,876 needed to generate the \$490,000 for capital improvements. Lincoln Amphitheatre would reopen in the 2007-2009 biennium with the capital improvements in place, including new costumes, a new script, and a new score. The line item appropriation would need to be increased to cover the necessary operating costs in the 2007-2009 biennium. The reopening of Lincoln Amphitheatre, with a new production of *Young Abe Lincoln* in 2007-2009, would be timely for the Lincoln Bicentennial Celebration in 2009.

The University of Southern Indiana requests increased funding of the line item appropriation for Lincoln Amphitheatre in the 2005-2007 biennium. The University also requests support for needed capital expenditures to enhance the production of *Young Abe Lincoln* and to renovate the Amphitheatre. The University is committed to the long-term successful operation of the theatre, provided funding is received from the state. For the University to successfully manage and operate Lincoln Amphitheatre, the requested funding is necessary for the future viability of *Young Abe Lincoln*.

SUMMARY OF BUDGET REQUESTS

State Form 5105(R2) Rev. 6-86

Budget Agency Form B-6

Agency Name	UNIVERSITY OF SOUTHERN INDIANA	Page 1 of 1
Unit Name	Lincoln Amphitheatre	
Acct. Number		Lincoln Amphitheatre

PURPOSE OF APPROPRIATION		To provide support for the operational expenditures of the productions at Lincoln Amphitheatre.						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EXPENDITURE CATEGORIES FUNDED BY SECTION AND OTHER DATA	AGENCY ACTUAL EXPENDITURES		CURRENT YEAR AGENCY EST'D EXPENDITURES	BUDGET AGENCY ESTIMATED EXPENDITURES	AGENCY REQUEST		BUDGET AGENCY RECOMMENDATION	
	FY 02-03 (1)	FY 03-04 (2)	FY 04-05 (3)	FY 04-05	FY 05-06	FY 06-07	FY 05-06	FY 06-07
Salaries & Wages	244,398	232,823	222,202		233,626	231,989		
Fringe Benefits	21,684	19,665	20,081		21,047	21,018		
Other Personal Services								
<b>.1 TOTAL PERSONAL SERVICES</b>	<b>266,082</b>	<b>252,488</b>	<b>242,283</b>		<b>254,673</b>	<b>253,007</b>		
.2 Services Other Than Personal								
.3 Service By Contract								
.4 Supplies, Materials, Parts	250,447	252,393	238,290		269,893	285,698		
.5 Equipment	47	305	10,000		255,000	255,000		
.7 Grants/Subsidies/Awards								
.8 In-State Travel	21,481	26,331	26,250		47,443	49,815		
.9 Out-of-State Travel	8,926	7,584	7,500		7,084	7,339		
<b>TOTAL OTHER OPERATING</b>	<b>280,901</b>	<b>286,613</b>	<b>282,040</b>		<b>579,420</b>	<b>597,852</b>		
<b>GRAND TOTAL</b>	<b>546,983</b>	<b>539,101</b>	<b>524,323</b>		<b>834,093</b>	<b>850,859</b>		
Funded by General Fund								
Base Appropriation	238,562	238,560	238,562		280,634	349,173		
Special Capital Appropriation	0	0	0		245,000	245,000		
Other Revenue								
Lincoln Amphitheatre Operations	142,848	150,106	152,103		207,858	176,416		
Gifts and Grants	40,145	41,743	37,000		38,650	40,383		
University Support	125,428	108,692	96,658		61,951	39,887		
<b>GRAND TOTAL CHECK</b>	<b>546,983</b>	<b>539,101</b>	<b>524,323</b>		<b>834,093</b>	<b>850,859</b>		

(1) Expenditures and revenue are reflected for the 2002 season which is October 1, 2001 to September 30, 2002  
 (2) Expenditures and revenue are reflected for the 2003 season which is October 1, 2002 to September 30, 2003  
 (3) Expenditures and revenue are reflected for the 2004 season which is October 1, 2003 to September 30, 2004 (budgeted)

CONSOLIDATION OF BUDGET REQUEST

State Form 21707(R) Rev. 6-86

Budget Agency Form B-13

Agency Name	UNIVERSITY OF SOUTHERN INDIANA	Page 1 of 1
Unit Name	Lincoln Amphitheatre	
Acct. Number		Lincoln Amphitheatre

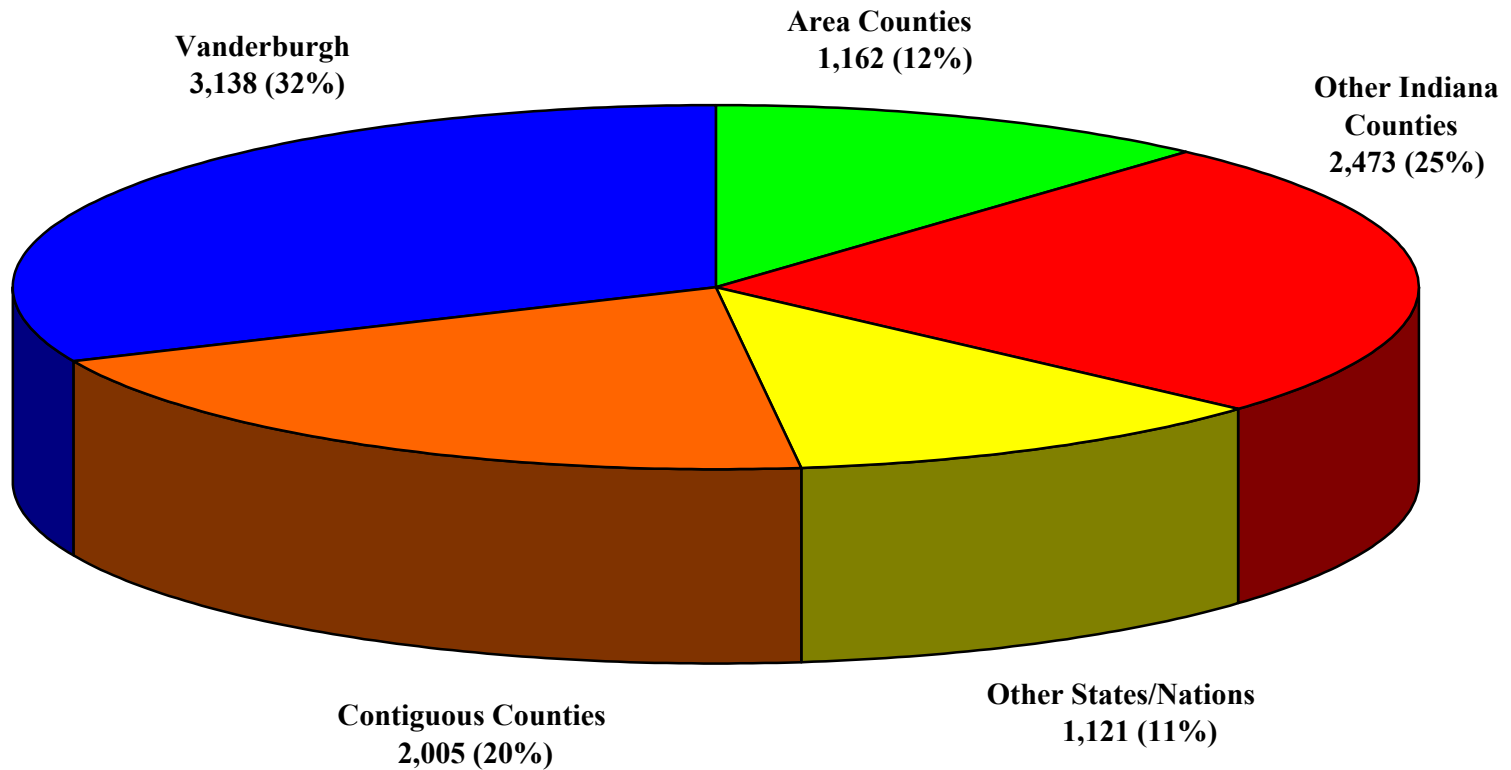
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MAJOR OBJECT CATEGORIES BY BASE BUDGET AND NEW PROGRAMS	AGENCY ACTUAL EXPENDITURES		CURRENT YEAR AGENCY EST'D EXPENDITURES	BUDGET AGENCY ESTIMATED EXPENDITURES	AGENCY REQUEST		BUDGET AGENCY RECOMMENDATION	
	FY 02-03 (1)	FY 03-04 (2)	FY 04-05 (3)	FY 04-05	FY 05-06	FY 06-07	FY 05-06	FY 06-07
.1 Personal Services								
Base Budget (Forward to B-6)	266,082	252,488	242,283		242,283	254,673		
Increases:								
2005-06					12,390			
2006-07						(1,666)		
.4 Supplies/Materials/Parts								
Base Budget (Forward to B-6)	250,447	252,393	238,290		238,290	269,893		
Increases:								
2005-06					31,603			
2006-07						15,805		
.5 Equipment								
Base Budget (Forward to B-6)	47	305	10,000		10,000	255,000		
Increases:								
2005-06					245,000			
2006-07						0		
.8 Travel								
Base Budget (Forward to B-6)	30,407	33,915	33,750		33,750	54,527		
Increases:								
2005-06					20,777			
2006-07						2,627		
<b>GRAND TOTAL</b>	<b>546,983</b>	<b>539,101</b>	<b>524,323</b>		<b>834,093</b>	<b>850,859</b>		

- (1) Expenditures are reflected for the 2002 season which is October 1, 2001 to September 30, 2002
- (2) Expenditures are reflected for the 2003 season which is October 1, 2002 to September 30, 2003
- (3) Expenditures are reflected for the 2004 season which is October 1, 2003 to September 30, 2004 (budgeted)

# **STUDENT PROFILE**



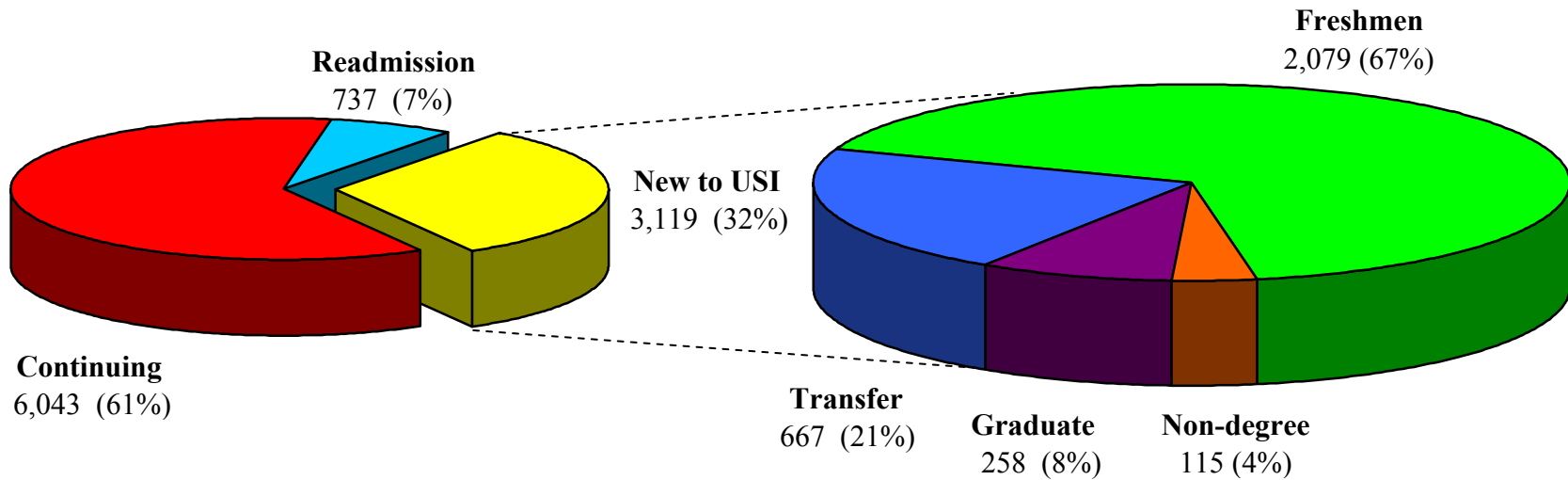
**UNIVERSITY OF SOUTHERN INDIANA**  
**Geographical Area**  
**Enrollment Fall 2003**



# UNIVERSITY OF SOUTHERN INDIANA

## Registration Types

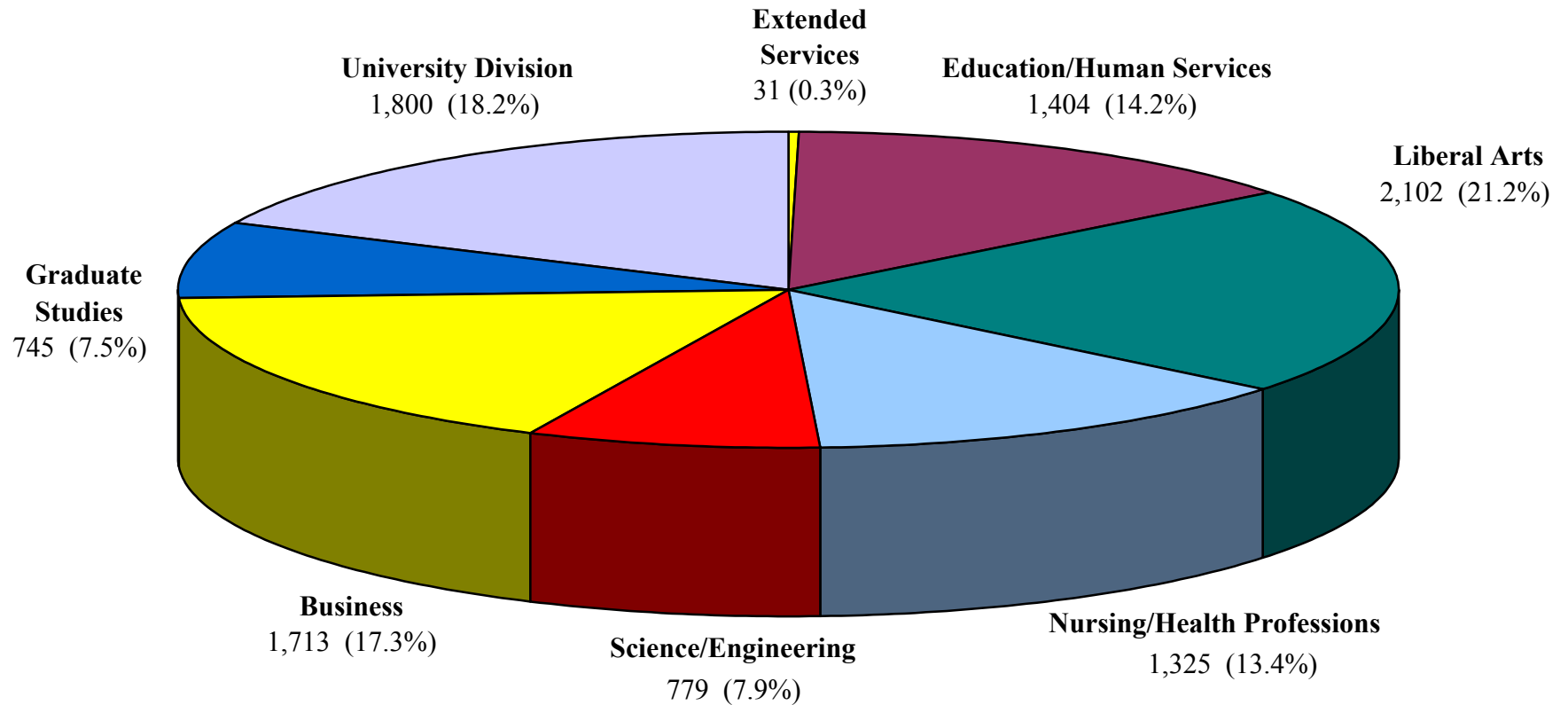
### Fall Enrollment 2003



# UNIVERSITY OF SOUTHERN INDIANA

## Student Majors by Schools

### Fall Semester 2003



# NARRATIVE FIGURES

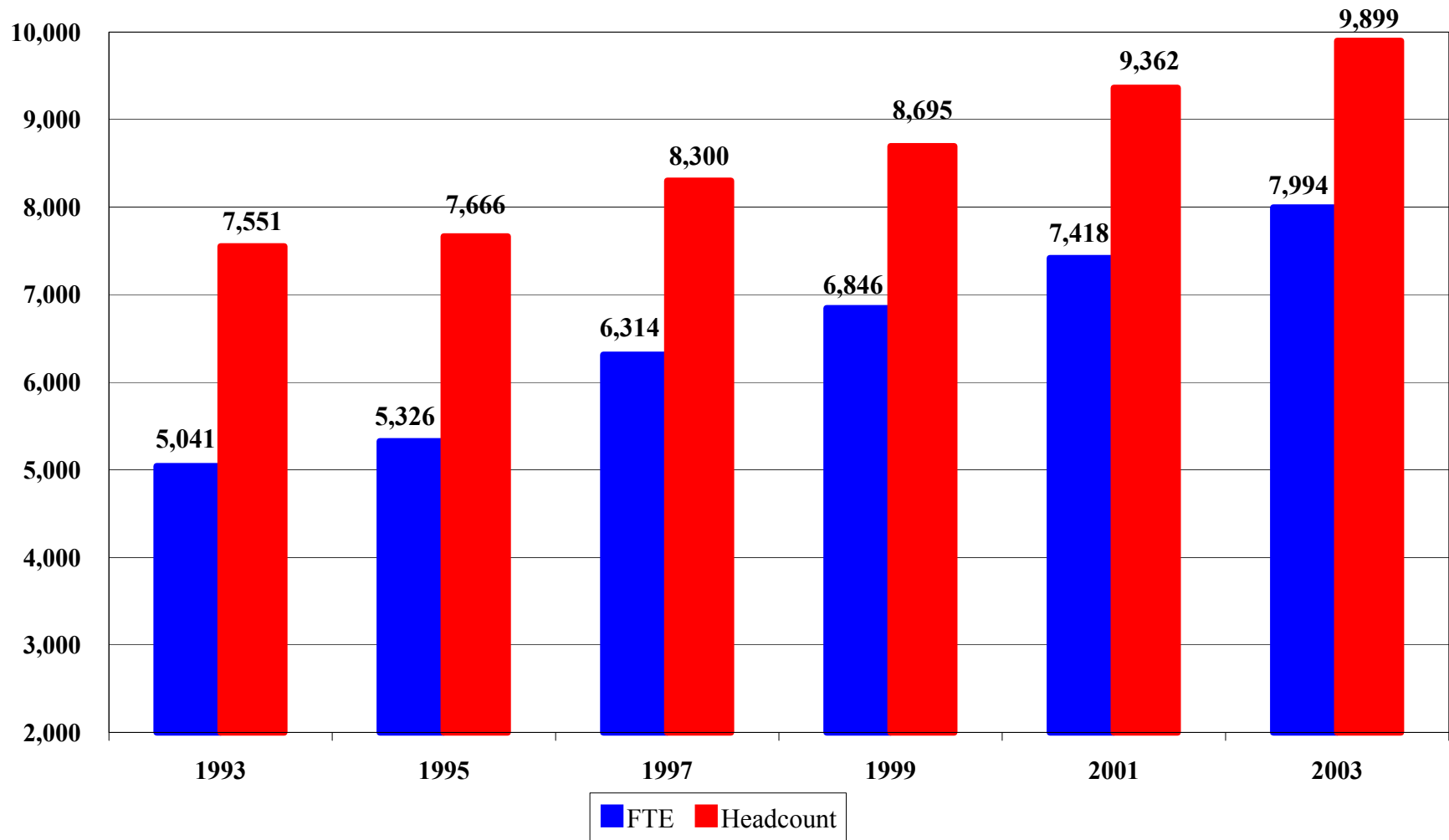
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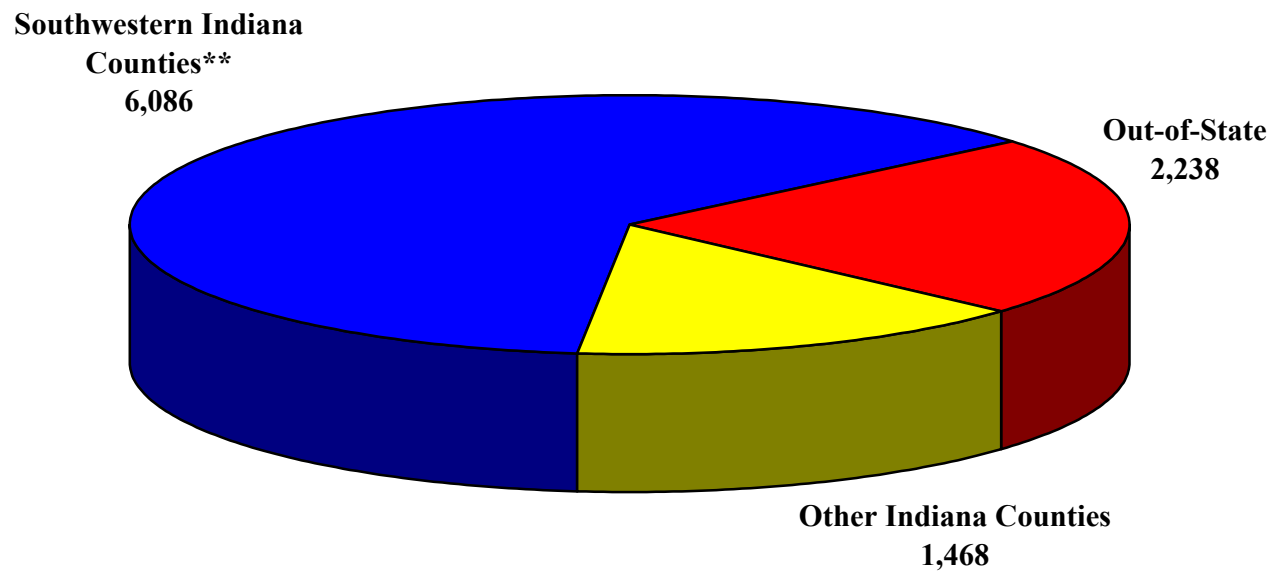
**FIGURE 1**

**USI STUDENT HEADCOUNT AND FTE ENROLLMENT  
1993-2003 FALL SEMESTER**



**FIGURE 2**

**GEOGRAPHIC LOCATION OF GRADUATES  
USI CLASSES OF 1993-2003\***

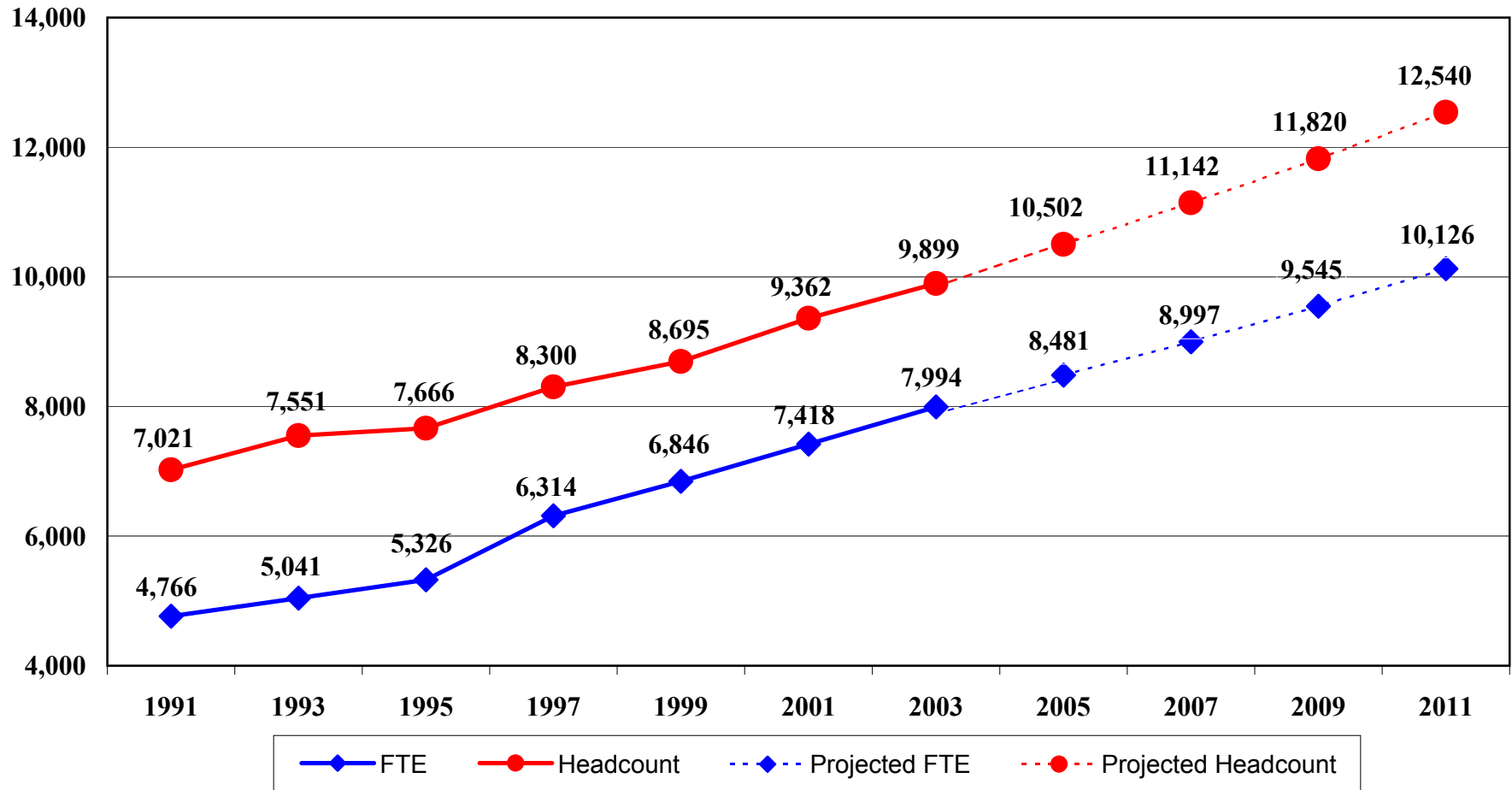


\* Alumni through December 2003 as of 6/08/04

\*\* Includes Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick

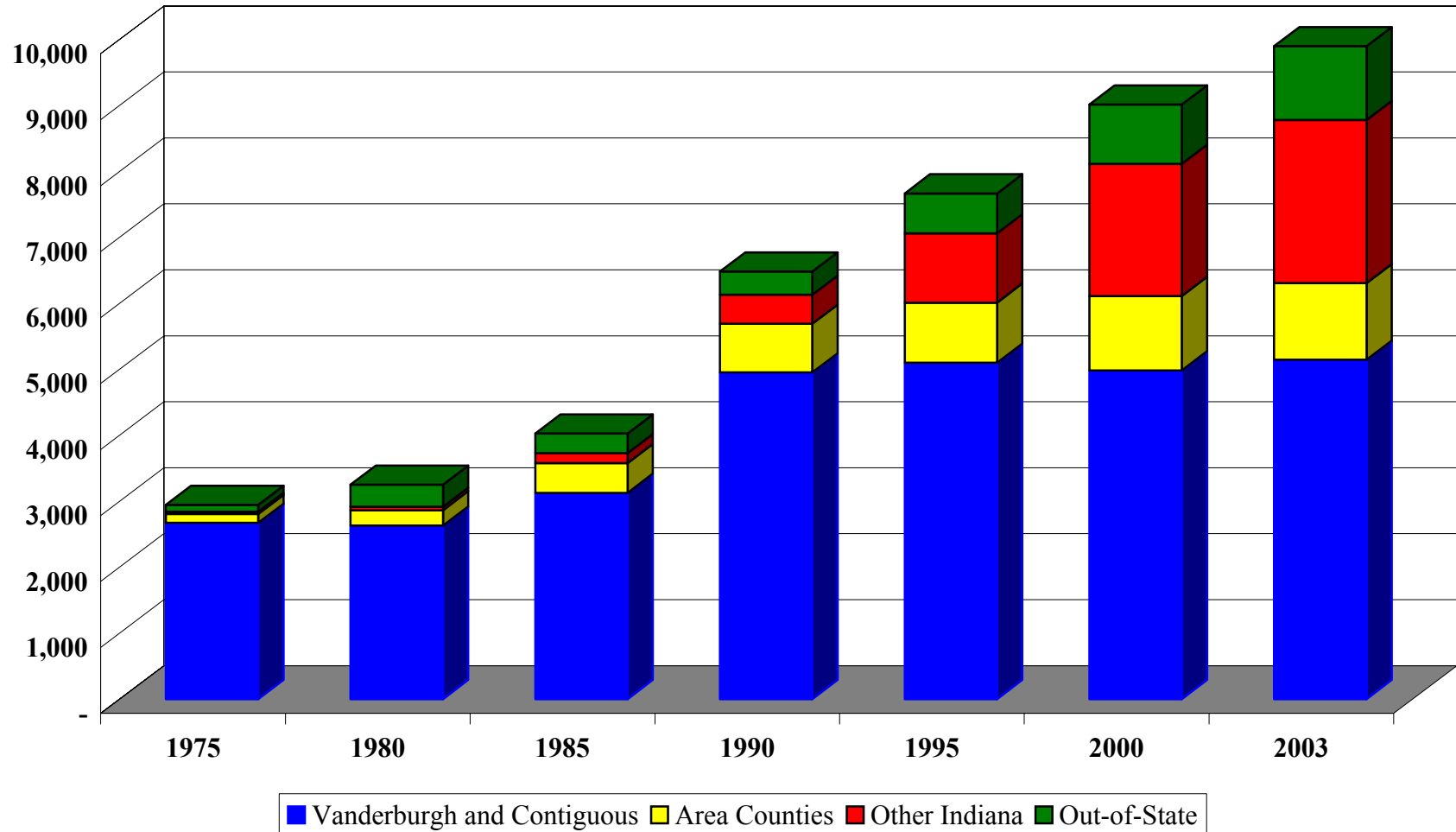
**FIGURE 3**

**ACTUAL AND PROJECTED: STUDENT HEADCOUNT  
AND FTE ENROLLMENT  
1991-2011 FALL SEMESTER**



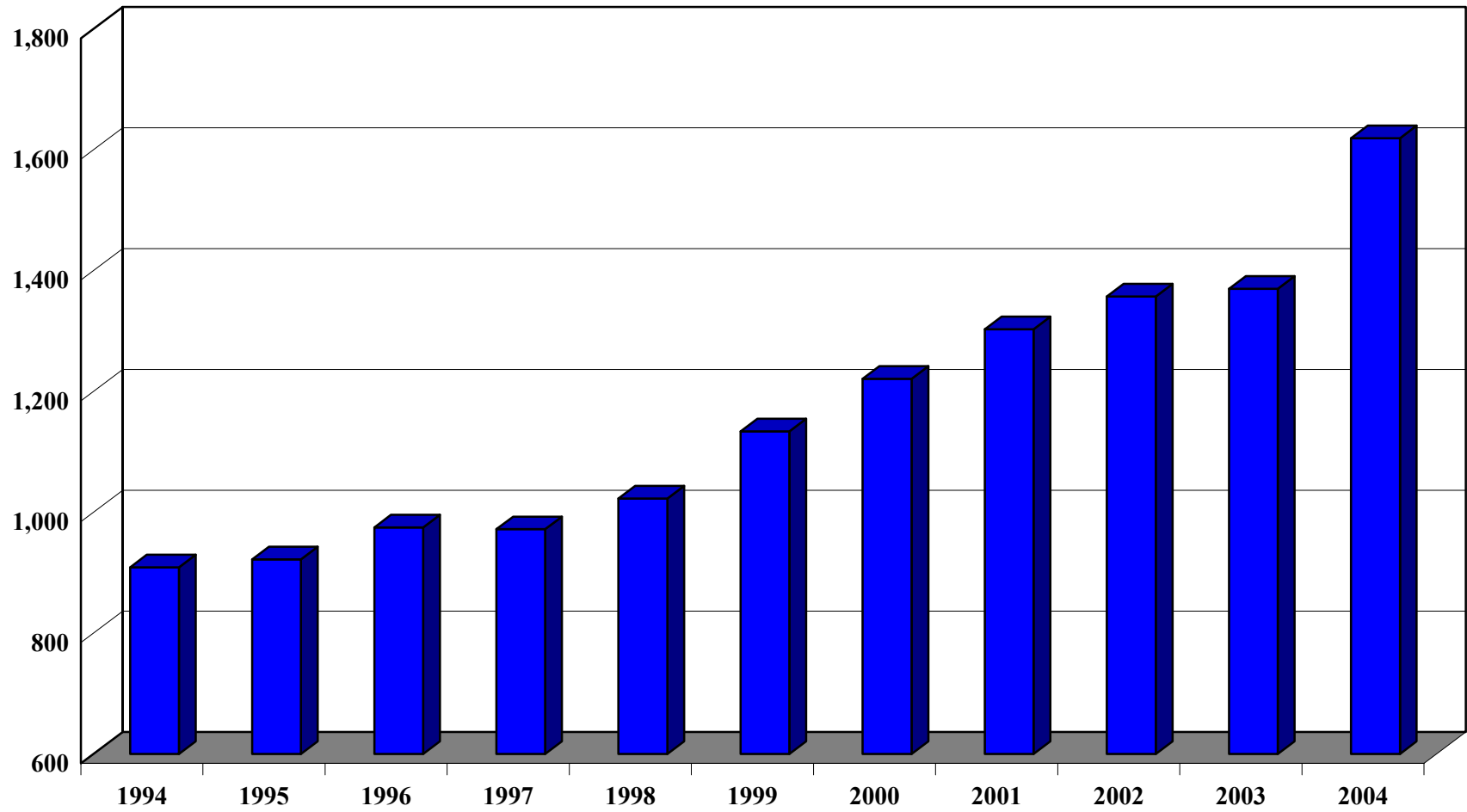
**FIGURE 4**

## **USI 28-YEAR ENROLLMENT GROWTH GEOGRAPHIC AREAS**



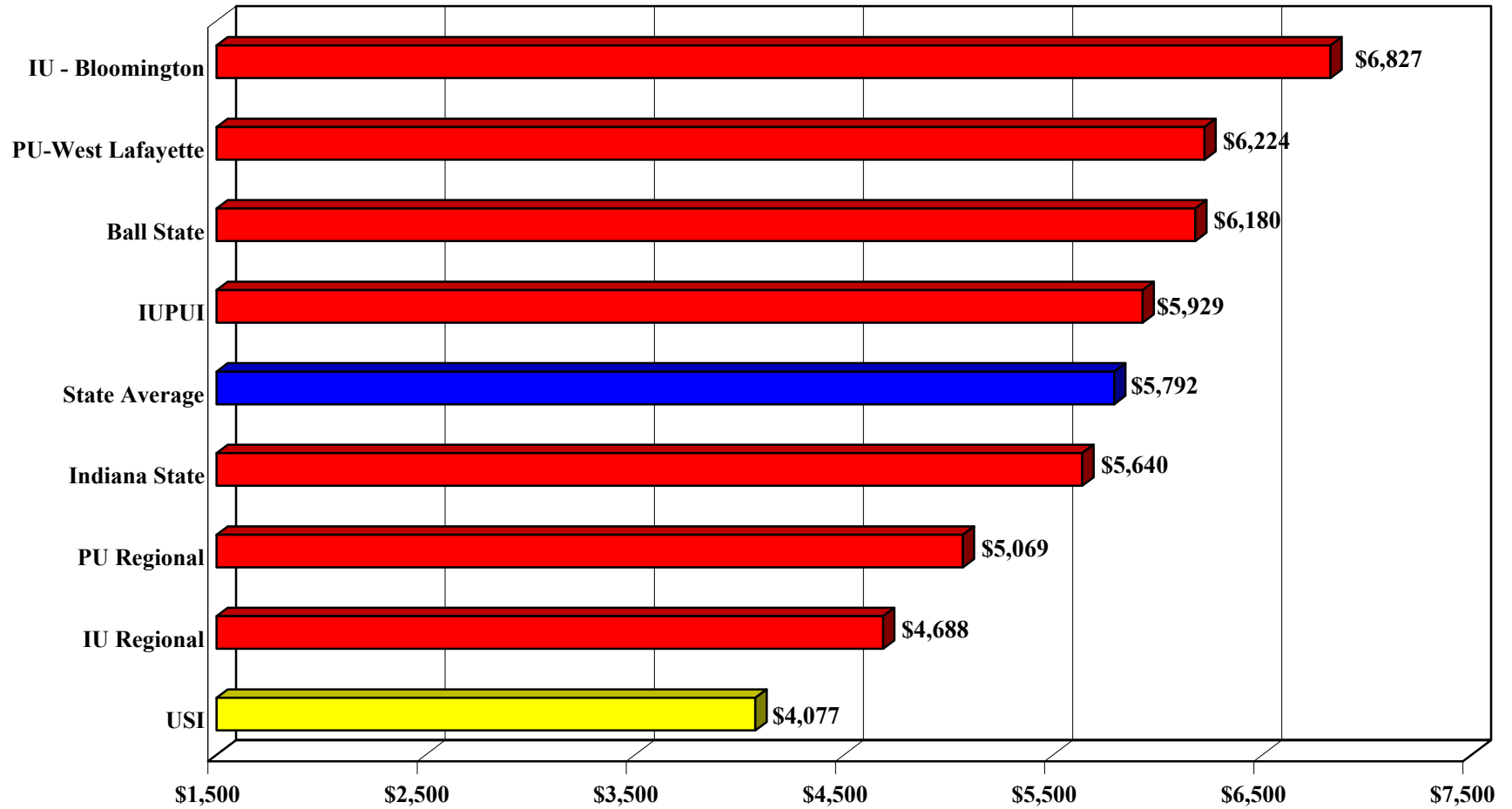
**FIGURE 5**

**USI DEGREES CONFERRED  
1994-2004**



**FIGURE 6**

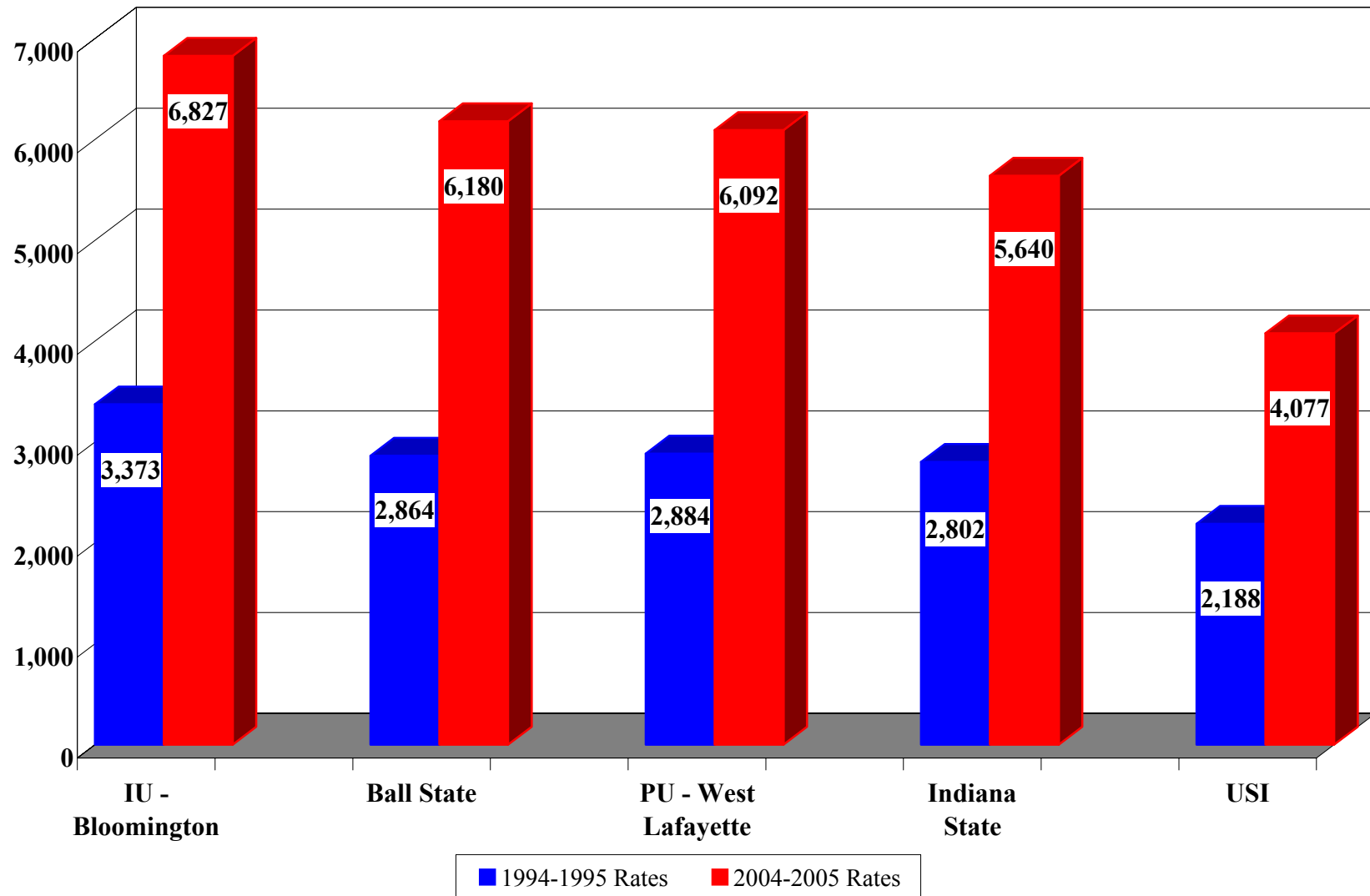
**2004-2005 TUITION AND FEES  
4-YEAR PUBLIC INSTITUTIONS IN INDIANA**



Tuition and fees cover two 15 credit-hour-semesters.

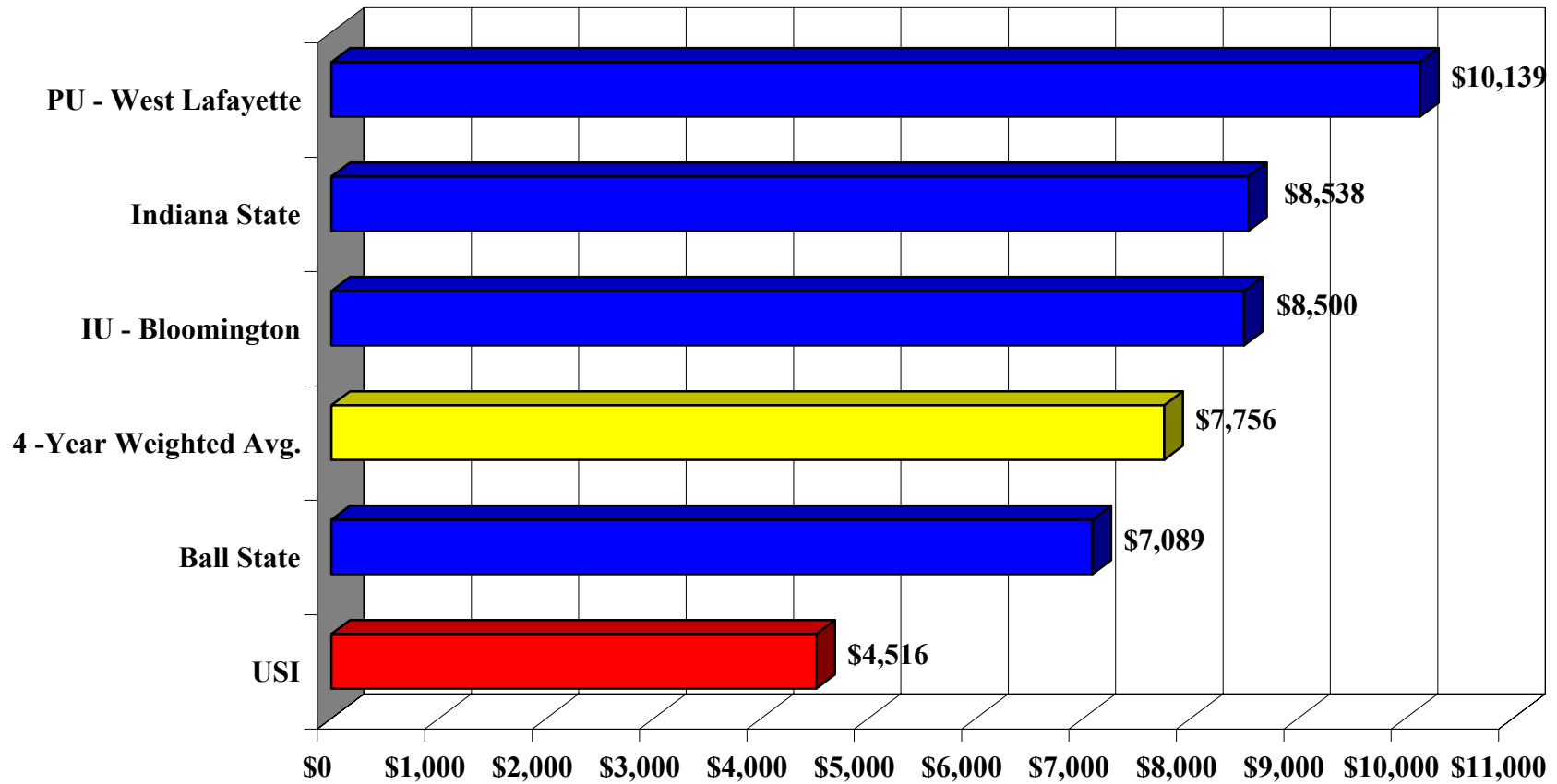
**FIGURE 7**

**PUBLIC INSTITUTIONS IN INDIANA  
TEN-YEAR TUITION/FEE HISTORY**



**FIGURE 8**

**2004-2005 INDIANA 4-YEAR PUBLIC INSTITUTIONS  
OF HIGHER EDUCATION APPROPRIATION  
PER HOOSIER FTE STUDENT**



Based on 2002-2003 Hoosier FTE Enrollments