2015–17 Legislative Request Executive Summary

EDUCATION REDEFINED
Ball State University’s request for state appropriations for the 2015–2017 biennium reflects its commitment to advancing higher education as a distinctive, academically excellent, and affordable educational institution for Indiana. We’re focused on providing high-quality undergraduate experiences offering relevant learning outcomes for high-ability students. Doing so in a highly efficient, cost-effective way is our top priority.

In accordance with the budget instructions issued jointly by the Indiana Commission for Higher Education (ICHE) and the State Budget Agency, institutional funding decisions will be made in five areas that are discussed in subsequent sections: operating appropriations (with changes based on performance funding formulas), line item funding, fee replacement (for approved debt service), repair and rehabilitation, and capital budget requests. Our requested appropriations are aligned with the strategic goals and directions of both the university and the state and include:

- An operating request consisting of base funding and funds distributed in accordance with the commission’s performance funding formula
- The line item supporting Ball State’s strategic plan, The Entrepreneurial University, the line item supporting Ball State’s strategic plan, ensuring the impressive results achieved during our 2007–2012 plan are extended and enhanced as we implement its successor
- Investing in Student Success and Quality, the line item supporting Ball State’s commitment to enhancing our capacity and output in high-impact programs through attracting and retaining the best faculty and strengthening initiatives to improve retention and persistence to on-time graduation
- The line item supporting the Indiana Academy for Science, Mathematics, and Humanities
- STEM and Health Professions Facility Renovation and Expansion Project, Phase I
- College of Architecture and Planning Expansion and Renovation
- Campus Utilities Distribution and Energy Efficiency Project
- Department of Theatre and Dance Instructional Renovation and Expansion
- Fee replacement consistent with Indiana Finance Authority schedules
- Repair and rehabilitation consistent with the state formula

The university’s current strategic plan, Education Redefined 2.0: Advancing Indiana, runs through 2017 and sets an ambitious agenda for the institution. We seek to become recognized for being relentlessly focused on learning outcomes, embracing and solving today’s greatest educational challenges, providing bright and curious students a holistic learning experience that occurs in and out of the classroom, and bringing fresh and pragmatic thinking to the problems facing communities, businesses, and governments in Indiana and beyond.

We’ve identified more than 100 measurable targets across the university to ensure Ball State remains on track to achieve its key goals: distinguishing the institution from other universities by enhancing the quality of the academic experiences offered to all students, attracting students of even higher quality, supporting strong faculty and academic programs, enhancing a vibrant university community, and providing a distinctive impact on the economic well-being of the state of Indiana. Our 15th President, Paul W. Ferguson, is committed to building on this approach and identifying opportunities to extend our role as a deeply community-engaged university.

The bold course set by Education Redefined 2.0 and its predecessor has produced remarkable results for our students and the state. Ball State has a long history of producing graduates who make a substantial impact on the life and economic fabric of the state, such as Mark Holden, ’81, Chairman and CEO of A&R Logistics; Bryan Mills, ’82, President and CEO of Community Health Network; and Scott McCorkle, ’89, CEO of ExactTarget Marketing Cloud. Our recent alumni are continuing that strong tradition.
A Ball State education—through its hallmark, immersive learning—provides our graduates real-world experience and develops the skills employers are seeking. According to the Indiana Chamber of Commerce 2014 Employer Survey, “soft skills” such as teamwork, communication, and problem solving are among the most difficult to find. This echoes the findings reported in recent studies conducted by Hart Research Associates and Battelle Technology Partnership Practice. These studies point to the gap that immersive learning, with its focus on interdisciplinary projects leaving a lasting impact, is designed to prepare our students to fill for Hoosier companies. Ball State is providing the kind of education that Indiana’s employers value.
Ball State has a long history of operating efficiently. As good stewards of the resources granted to the university by taxpayers, students, and donors, we strive to keep our costs as low as possible while providing a distinctive and quality education. The university substantially leads its peers in efficiency measures such as staffing levels and utility expenditures and has implemented further efficiencies in managing health care spending. These three efficiencies contribute to saving the average Ball State student more than $2,600 per year in tuition, or nearly $10,600—more than a full year’s tuition—by the end of a four-year college career.

Additional, specific cost reduction efforts including the university’s geothermal heating and cooling system, restructured benefit packages, and a hiring slow-down and freeze have resulted in $17.4 million in annual savings. Since 2009–10, these efforts combined have resulted in $54.4 million in cumulative savings; this number continues to grow as additional savings are realized from existing and new measures (for example, a comprehensive print management policy).

However, identifying and implementing such efficiencies depends upon attracting and retaining quality employees and thus can only be pushed to a certain point before becoming self-defeating.

FISCAL STEWARDSHIP

Ball State has a long history of operating efficiently. As good stewards of the resources granted to the university by taxpayers, students, and donors, we strive to keep our costs as low as possible while providing a distinctive and quality education. The university substantially strengthens the pipeline in STEM and health professions. Ball State can play a significant role in addressing that challenge.

Much like the creation in decades past of our College of Fine Arts and the College of Communication, Information, and Media, this change will allow Ball State to capitalize on opportunities for collaboration among related disciplines, serve as a catalyst for external research funding, and further cement the reputation of the university in this important and growing area. Perhaps most intriguingly, however, this college would become home to new programs and research in health-related disciplines, which are both needed in the state and provide new educational opportunities for our undergraduate students. New and renovated facilities are needed to fully realize these changes, as will be discussed in the capital request section on page 7.

The opportunities in STEM fields are not limited to the health professions. The academic plan also envisions a renewed emphasis on new and existing STEM programs in our College of Sciences and Humanities and College of Applied Sciences and Technology. Ball State will continue to seek opportunities to leverage university strengths to address the needs of the state through STEM education and creation of unique graduate and doctoral programs.

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This request includes base adjustments derived from formulas for performance as specified in the ICHE and State Budget Agency instructions. These adjustments reflect the university's performance in overall degree completion, at-risk student degree completion, high-impact degree completion, student persistence, on-time graduation rate, and our institution-defined metric, which is focused on institutional efficiency, and other instructions or recommendations such as dual credit or research funding. These metrics serve as proxies for outcomes ICHE has identified in its Reaching Higher, Achieving More strategic plan. We strongly support those outcomes, and the university's strategic plan is aligned with the goals in ICHE's plan.

That alignment has served the university well in terms of this year's performance outcomes, as the implementations of our previous and current strategic plans have borne fruit. We are in positive territory on each metric with the exception of high-impact doctoral degrees granted, which is flat. This is encouraging, as although our trends for each have been positive over the past 10 years, the particular points measured resulted in funding decreases during two budget cycles in that period.

However, our strategy of differentiation focuses on quality, not quantity, which we believe is equally important to the state. That strategy, although consistent with the outcomes the metrics reflect, is unlikely to result in sustained quantitative improvements in the metrics themselves as currently defined for the long term.

For that reason, robust baseline funding will remain critical to maintaining Ball State's positive momentum and the distinctive value we provide to Hoosier students over future biennia. Indiana currently ranks 44th in educational appropriations per FTE, a situation exacerbated by a funding formula that does not address pre-existing inequities in baseline funding. Our appropriations are lower today than in 2000–01 and reflect the university as it was more than a decade ago, not today's Ball State, which has achieved historic improvements in the quality of our entering classes and significant increases in retention and graduation rates.

Ball State has proven over the long term to be able to achieve these results while carefully stewarding the state's investment in educating our students. Our efficiency means that a dollar invested here has the greatest direct impact on Hoosier undergraduate education.
THE ENTREPRENEURIAL UNIVERSITY

Partially funded by the state since 2007, The Entrepreneurial University is redefining how higher education is delivered and measured. The initiative distinguishes Ball State from other public institutions in our budgeting peer group and facilitates our vision to provide a distinctive value for Indiana citizens. It defines our commitment to:

1. Recruit students who are better prepared academically
2. Provide an improved, distinctive, and immersive curriculum and academic experience
3. Deliver measurable outcomes to ensure academic excellence and economic improvement

During the 2013 budget process, the state legislature recognized Ball State’s success in these areas by funding the line item at a $4.1 million increase for each year of the biennium, providing critical support to continuing the university’s forward momentum. This investment has supported the continued expansion of immersive learning, which is a financially intensive form of teaching and learning, but one that has borne great fruit for our graduates.

The university has also created the Ball State Innovation Corporation to advance innovations like Vizi, an online, multimodal interactive learning experience presented to the commission during the August meeting at Ball State. At the same time, we’ve continued to spread our entrepreneurship minor across campus, beyond the Miller College of Business. So far 100 non-business majors have graduated with the minor, with 120 more students enrolled in the program as of fall 2014. They are majoring in areas that range from art to chemistry, from landscape architecture to telecommunications.

INVESTING IN STUDENT SUCCESS AND QUALITY

Investing in Student Success and Quality is a $6 million per year line item supporting Ball State’s commitment to continuing to improve the pipeline that results in graduating students with relevant, high-quality educational experience in four years, particularly in high-impact areas. This will be accomplished through three primary initiatives:

1. Investing in Innovative Technologies to Promote Retention, Persistence, and On-Time Completion ($1.5 million)

Ball State is committed to creative, innovative approaches to promoting student success. One example was discussed in-depth during a presentation by Vice President for Student Affairs Kay Bales at the commission’s visit to Ball State in August.

The university has secured grant funding from Educause to leverage technology in support of retention beyond the freshman year and, ultimately, persistence to on-time graduation. BSU Achievements is a smartphone app that allows students to earn incentives as they complete objectives that support successful outcomes in their higher education careers. With the funds available, we have targeted a high-risk, high-impact population: freshman Pell Grant recipients. Within one week of launch, one-third of eligible students already were signed up.

With further investment, the university can extend programs such as BSU Achievements across campus.

2. Investing in Services to Support Retention, Persistence, and On-Time Completion ($2.5 million)

Students have always needed guidance to successfully navigate higher education, but the need has become ever more acute in light of increasingly complex and dynamic regulations regarding curricula, financial status, and student life. While faculty mentor students in their fields or professions and provide academic guidance, professional advisors support students in ensuring financial aid eligibility, adjusting course plans in light of life events or changes of major, and maintaining schedules of 15 credit hours or more per semester. By lowering barriers to completion, providing timely information about progress, and simplifying the complicated regulatory environment for students, advisors support retention, persistence, and ultimately on-time completion.

The National Academic Advising Association (NACADA) recommends a 1:300 advisor-to-student ratio for freshmen; at Ball State, our current load for freshman advisors is 1:352. After freshman year, upper-class advising is every bit as critical as students concentrate on their major and build toward completion. Investing in additional advisors would address this shortfall.

In addition, such an investment would contribute to addressing the costs associated with the degree maps mandate created by the legislature. Advisors play a key role in building degree maps for new programs, maintaining those for existing programs, and training fellow faculty and staff on their use. This constant process of quality improvement is one of the most significant costs of complying with the regulation, along with Ball State’s investment in the DegreeWorks software itself, which has totaled $176,000 to date, and requires substantial ongoing technical support.
3. Investing in and Retaining Talented Faculty ($2 million)

As the university focuses on both quality and throughput, the nature of what is expected of our faculty is changing. We continue to expect excellence in instruction and research, but we also require human capital to advance the goals of the institution and the state through mentoring and advising students as they enter their disciplines after the freshman year, ensuring students prepare themselves well to contribute in their fields while remaining on track for on-time completion.

Ball State is a lean organization in terms of administrative staff, as previously referenced, but also lean in full-time, tenure-line faculty; 32.6 percent of our instructors are contract faculty, compared to only 24.5 percent among our Mid-American Conference peers. And yet, these contract faculty members cannot contribute to the advising and mentoring efforts that are critical to student success; for that, we require additional highly talented, full-time, tenure-track faculty. The need will be made even greater as the university expands existing high-impact degree programs and offers new programs in emerging media digital design, quantitative psychology, and data science.

Attracting and retaining talented faculty—particularly those qualified to prepare students for success in high-impact degree areas—requires competitive compensation. Ball State currently ranks last in the Mid-American Conference and 14th in the state in average salaries of both full professors and associate professors, behind not only our peer flagship and conference institutions with whom we compete for human capital, but also Purdue Calumet, Purdue North Central, and Indiana State.

A strategic investment in full-time faculty is an investment in student persistence after the freshman-to-sophomore transition, on-time degree completion, and ultimately in the most important outcome: educated and prepared Hoosiers.

Indiana Academy for Science, Mathematics, and Humanities

Continued line item funding with an inflationary increase for the Indiana Academy for Science, Mathematics, and Humanities will enable the state’s only public residential high school to maintain its outstanding record of helping gifted and talented Hoosiers reach their potential. Founded by the Indiana General Assembly in 1988, the Indiana Academy is located on the Ball State campus and has been nationally recognized as a premier educational institution. Just as Ball State serves bright, talented undergraduate students, through the academy we nurture the state’s best and brightest high school students.

Fee Replacement

The university’s debt service will decrease in fiscal year 2015–16 to $13 million and to $12.1 million the next year due to other debt being retired. Any new debt-funded projects authorized by the General Assembly would require an increase in fee replacement appropriations.

Repair and rehabilitation of campus facilities play a critical role in maintaining a quality academic environment for teaching and research. Since 2000, due largely to declining revenues, the state has only partially funded the repair and rehabilitation formula. During that time, Ball State funded R&R projects out of other university funds, funded projects out of federal ARRA appropriations (these funds are now exhausted), or, when possible and appropriate, deferred maintenance. Over the long term, however, deferred maintenance jeopardizes the investment Indiana, past generations of Ball State students and their families, and university donors have made in our campus. Our approach to repair and rehabilitation is consistent with our broader commitment to sound long-term fiscal stewardship.
Ball State's top capital project priority is the STEM and Health Professions Facility Renovation and Expansion Project, Phase I, estimated to cost $62.5 million. The facilities on campus that support the sciences and health professions at Ball State are inadequate in size to meet the demand of the needs of Indiana and deficient in quality and condition to support the educational needs of Ball State students.

The university’s Cooper Science Complex was built in the mid-1960s. During the past 50 years, demand for qualified graduates in STEM fields and health professions in Indiana has increased dramatically. At the same time, much has changed in scientific advancement, science education, and facility safety laws and regulations.

To the extent possible, the building systems and configurations have been modified to accommodate the ever-changing curricula required for students in these disciplines and the need for faculty and student research laboratories, as well as enrollment growth. However, the complex is now in critical need of repairs and is undersized and outdated, artificially limiting growth for key programs such as chemistry, biology, and nursing. These disciplines are critical to the success of not only Ball State but also the state as a whole.

In the past 10 years alone, enrollment in chemistry programs has grown by 21 percent, biology by 9 percent, and nursing by 47 percent. The university does everything possible to accommodate the student demand in these high impact degree areas, but even so, we are forced to turn away literally hundreds of qualified students due to lack of science laboratory and classroom space.

More than a decade has passed since the university broke ground on our most recent state-funded academic building, the David Letterman Communication and Media Building funded by the 2003 General Assembly. This would be a multi-phased project. The first phase would fund the construction of a new health professions building, allowing for increased academic space for nursing and other health professions disciplines, and architectural and engineering planning funds to study the most effective and efficient disposition of the renovation or replacement of Cooper Science Complex and space for the remaining hard science disciplines.

In our capital request submission, our top priorities for capital expenditures are explained in detail. They include:

1. STEM and Health Professions Facility Renovation and Expansion Project—$62.5 million
2. College of Architecture and Planning Expansion and Renovation—$27.5 million
3. Campus Utilities Distribution and Energy Efficiency Project — $11.6 million
4. Department of Theatre and Dance Renovation and Expansion Instructional —$6.2 million.
CONCLUSION

Ball State is well positioned to address the needs of Indiana’s brightest students and support the state’s economic well-being. Strong support from the state, in the form of our requested appropriations, is required to maintain and extend the momentum and successes the university has achieved under our current and previous strategic plans—plans which directly address the goals and priorities outlined by ICHE and the state.

Over the past several biennia, the university has improved our quality dramatically. This year’s incoming class is tremendously talented and well prepared—the average SAT score and high school grade point average both are the highest in our history. At the same time, retention and graduation rates continue to climb. This year, we achieved an 81.7 percent freshman retention rate. Strength in retention and persistence builds a pipeline toward improved on-time graduation rates, which for the graduating Class of 2014 reached 44.5 percent.

However, the emphasis placed on quantity, rather than quality, in the performance funding formula has meant that Ball State’s funding has not been commensurate with our success in achieving goals important not only to the university, but to the state and our citizens as well.
The information presented here, correct at the time of publication, is subject to change. Ball State University practices equal opportunity in education and employment and is strongly and actively committed to diversity within its community.