



Ball State University

State Budget Committee Presentation

November 14, 2012



Ball State:

- ❑ **Makes a positive impact in Indiana**
 - ❑ Understands, and is acting on, the state's priorities
 - ❑ Has seen significant cuts over the past several biennia
 - ❑ Is concerned about the long-term impact of the current funding approach

and...

Needs your help



A Distinctive Option For Hoosiers

Ball State University: An increasingly **selective institution**, focused primarily on a **high-quality undergraduate** experience for **Hoosiers**



Employers Value Immersive Learning

- **Hart Research Associates 2010 Study** – According to employers, the top two emerging educational practices that prepare college students for employment success:
 - **A significant project** that demonstrates their depth of knowledge.
 - An internship or community based field **project to connect classroom learning with real world experience.**

- **Battelle 2012 Study**
 - **Indiana's education issue is not quantity** – Indiana places in the upper half of states both in college entry and completion and confers baccalaureate degrees at a rate higher than the national average.
 - Experience matters; internships and **real world learning experiences create a better work-ready college graduate.**



Ball State's Quality Impacts Indiana

- ❑ **Immersive Learning** cited by peers in national publications
 - Often leads to career decisions and employment offers
- ❑ An **Entrepreneurial Focus** for all students
 - Indiana's dependency on entrepreneurial businesses
- ❑ Recognized as a national leader in **New and Emerging Media**
 - A growing part of the Indiana economy

U.S. News & World Report ranks **Ball State 8th among "up-and-coming" colleges and universities for 2011**



Impacting INdiana Businesses



A student team conducted research and **delivered a marketing plan** for the division's **national expansion** into a new testing service line.

"Utilizing these talented students is **a great way to accelerate our progress** in the Food & Micro Division." President – Environmental and Microbiology Division



A student team **designed and created an online** native plant specification **tool to aid in improving** the success rate of ecological restoration projects.

"I wanted to take a moment to share with you **the tremendous value** this program is delivering." Vice president – Strategy & Marketing



Ball State's Center for Media Design has worked with ExactTarget on several projects. Recently, the company asked Ball State to **develop and deliver training** for their employees. One more way BSU is **helping attract and develop talent** in one of **Indiana's growing industries...**

PROJECTIONE.com



An Indiana **design and fabrication studio** started by **recent graduates**, PROJECTIONE began as a collaborative architectural thesis **at Ball State University**.

Riley Sunrise: "Our installation for Riley Hospital for Children".

Over 135 immersive learning projects had a **business as their partner**

Ball State University
Education Redefined



Quality Experiences Lead to Employment



McGraw Hill

Hunt Construction



accenture



Accenture



Innovation Connector



Orange

Harpo Productions



Turner Sports



Envisage

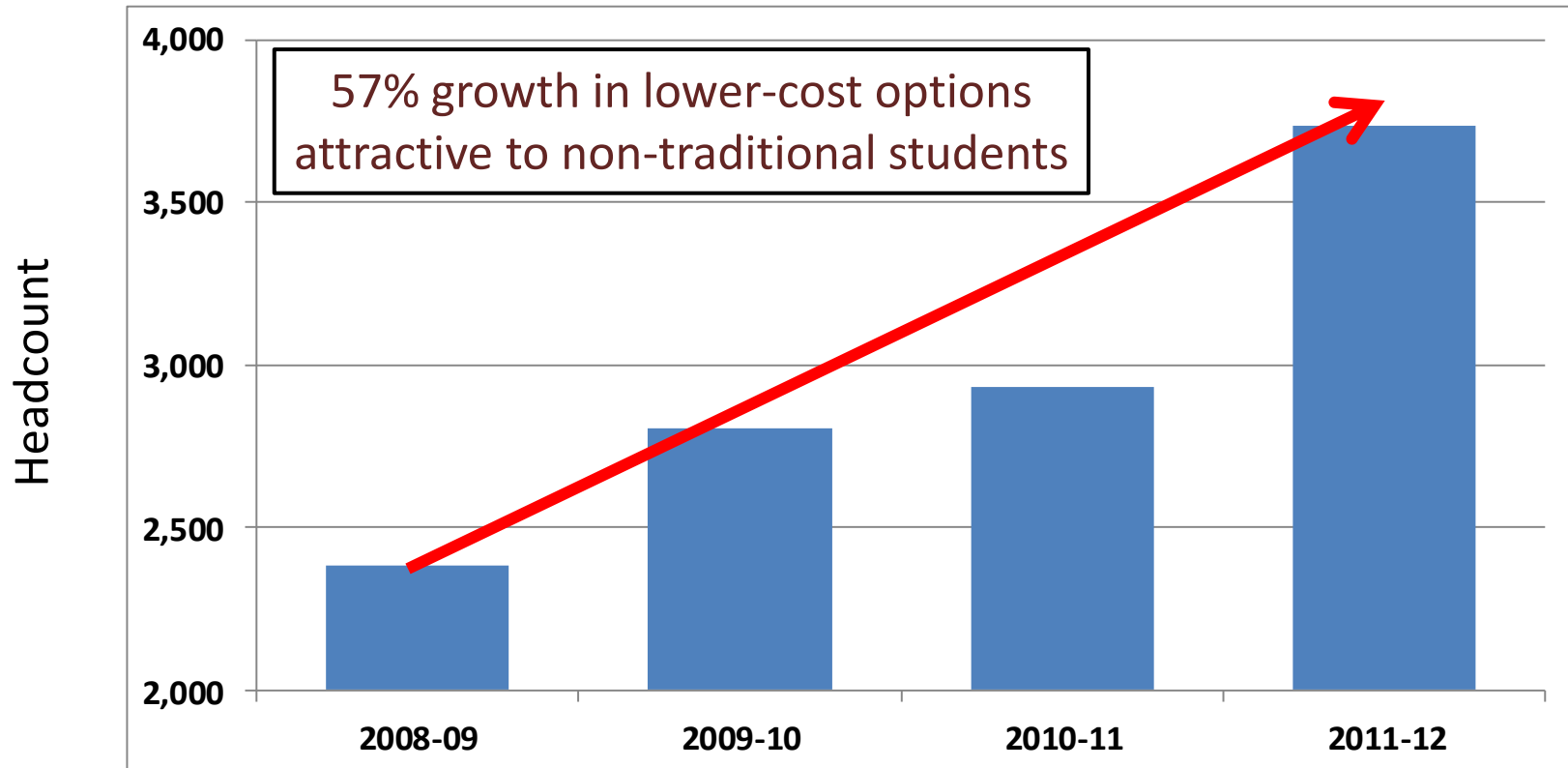


Gannett



Alternatives that Impact Indiana

Growth in off-campus Education



4 top 20 rankings in *U.S. News & World Report's* online program rankings, more than any other in Indiana

Ball State University
Education Redefined



Impacting **IN**dividuals

- **3 Rhodes finalists** and **50** other national scholarships and fellowships since 2006
- **54 nationally ranked** or recognized **academic** programs
- **16,416** students have participated in **1,019 immersive learning** projects impacting **74 Indiana counties**
- *U.S. News & World Report* listed Military 2 Market (M2M), a partnership with **Crane** that is part of our **entrepreneurship** program, **first** among “10 College Classes That **Impact the Outside World**”
- **Geothermal** project created **2,300 jobs**; redefined a declining **Hoosier industry**



Ball State:

- Makes a positive impact in Indiana
- **Understands, and is acting on, the state's priorities**
- Has seen significant cuts over the past several biennia
- Is concerned about the long-term impact of the current funding approach

and...

Needs your help



Aligned with ICHE's Strategic Plan

- ❑ Ball State's prior and current strategic plan each have over **100 measurable performance indicators**
- ❑ Most are directly aligned with the Commission's priorities



Completion
Students and the state are not well served by an empty promise of college access without completion.



Productivity
A more productive higher education system will increase student success and safeguard college affordability.



Quality
Increasing college completion and productivity need not come at the expense of academic quality.



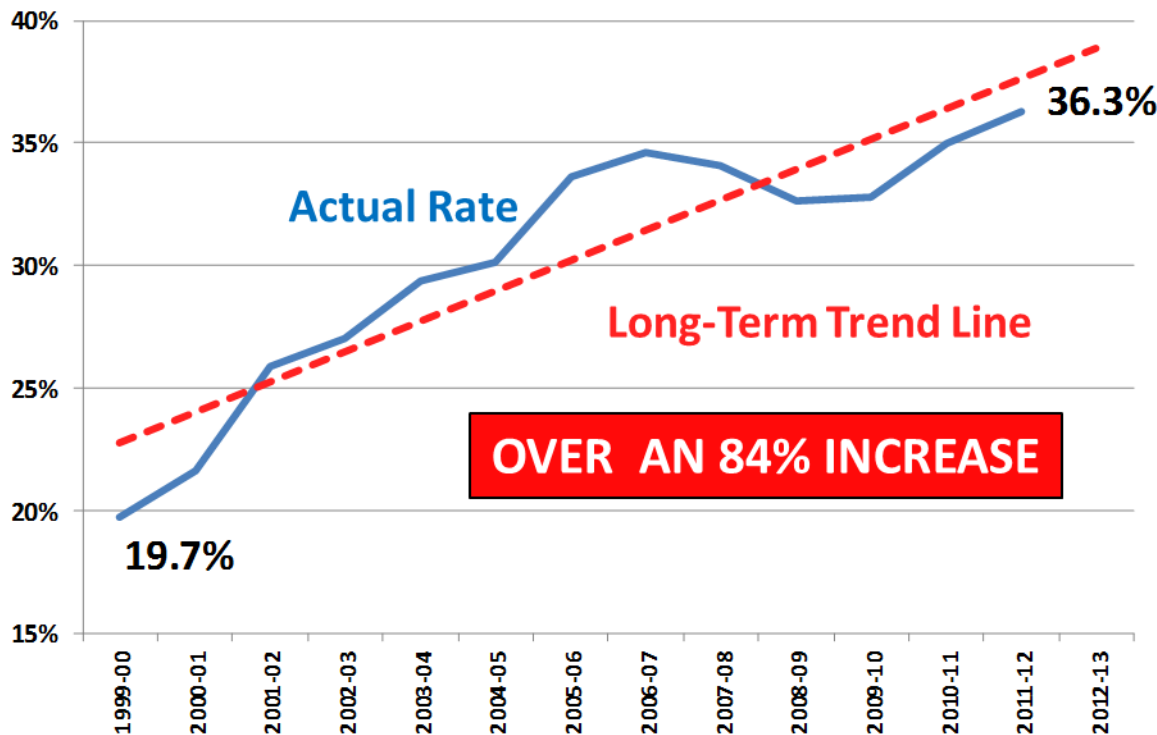
Completion Initiatives

- ❑ **Free tutoring** to all students
- ❑ **Removed** scheduling **impediments**
- ❑ **Reduced minimum credit hours** for degree from 126 to 120
- ❑ Degree in Three program – **graduate in three years**
- ❑ **Career counseling** starting at freshman orientation
- ❑ Restructured tuition – students can **take more hours for less money** with On-line and summer options
- ❑ Completion **Scholarship for graduating in four** or fewer years
- ❑ Financial penalty for credit hours over 144
- ❑ **“Think 15”** campaign



Long-Term Improvement in Graduation Rates

Ball State 4-year Graduation Rate



Chronicle of Higher Education recently reported that Ball State had the **6th highest long-term improvement in 6-year graduation rates** of any public, research university in the nation:

San Diego State

Georgia State

Temple University

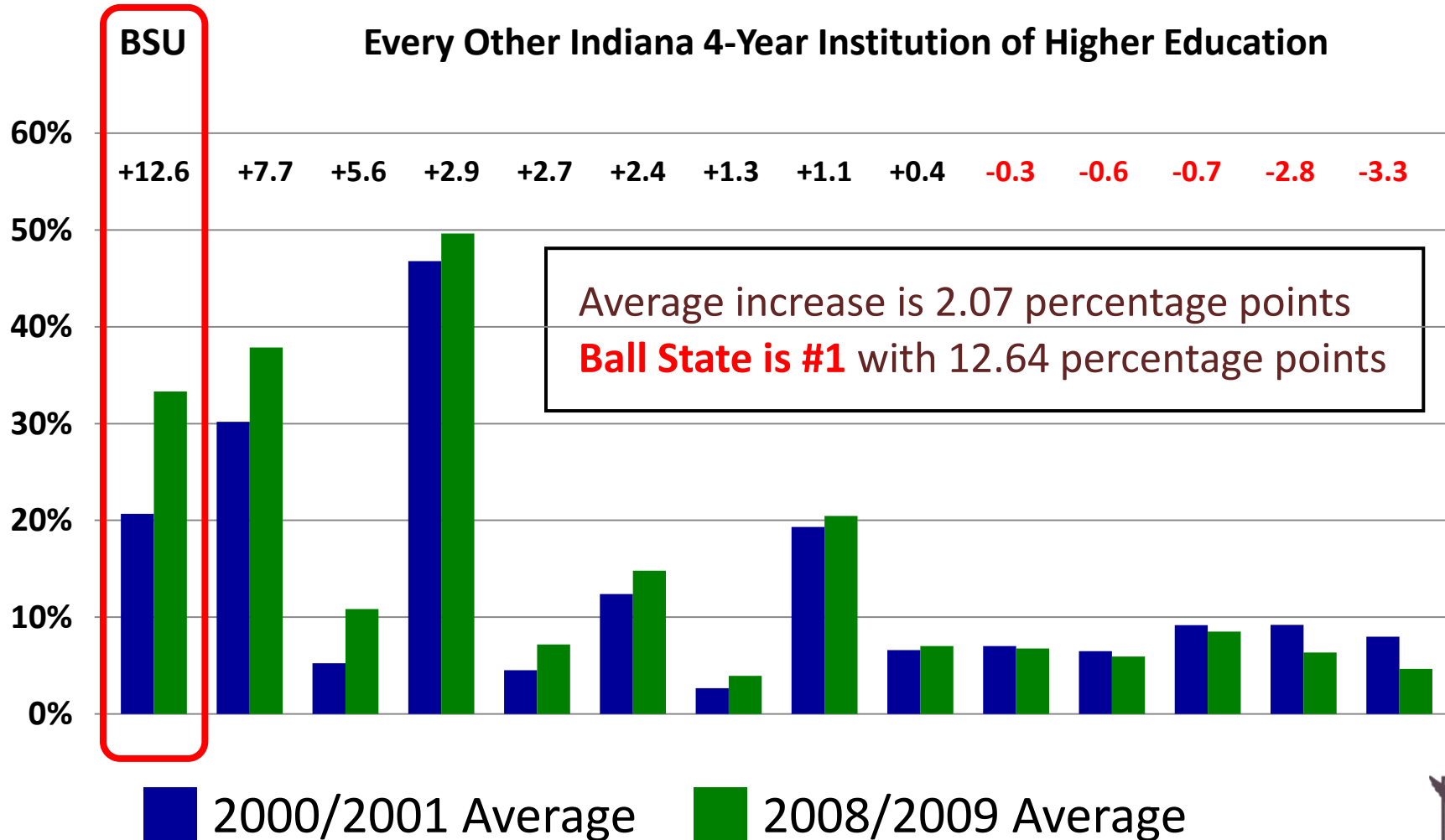
University of Pittsburgh

Ohio State University

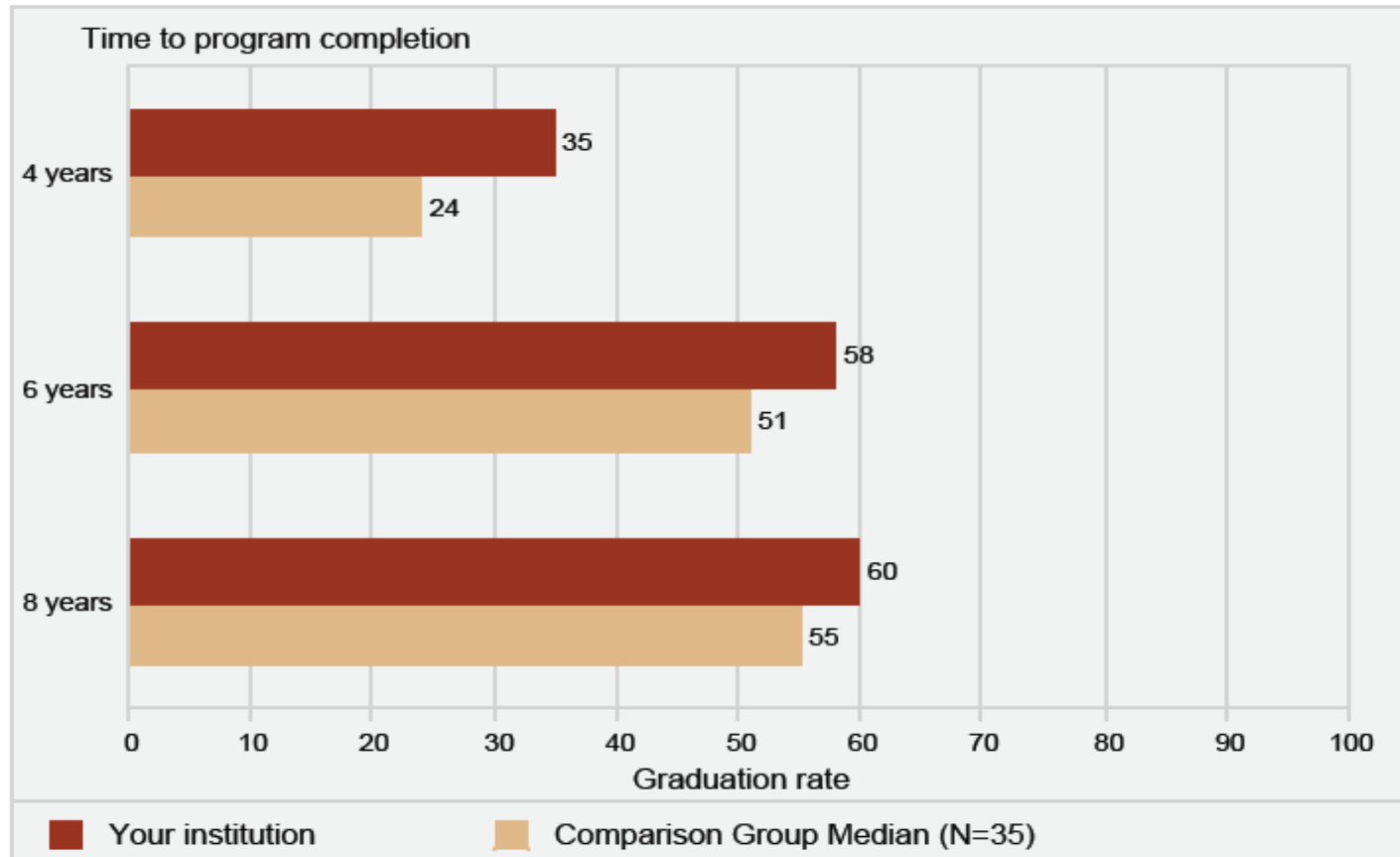
Ball State University



Comparing Change in 4-Year Graduation Rates



IPEDS Comparison of Graduation Rates



35 peers selected by the U.S. Department of Education
(based on research classification, size, selectivity, cost, etc.)



Productivity: Actions Taken to Cut Costs

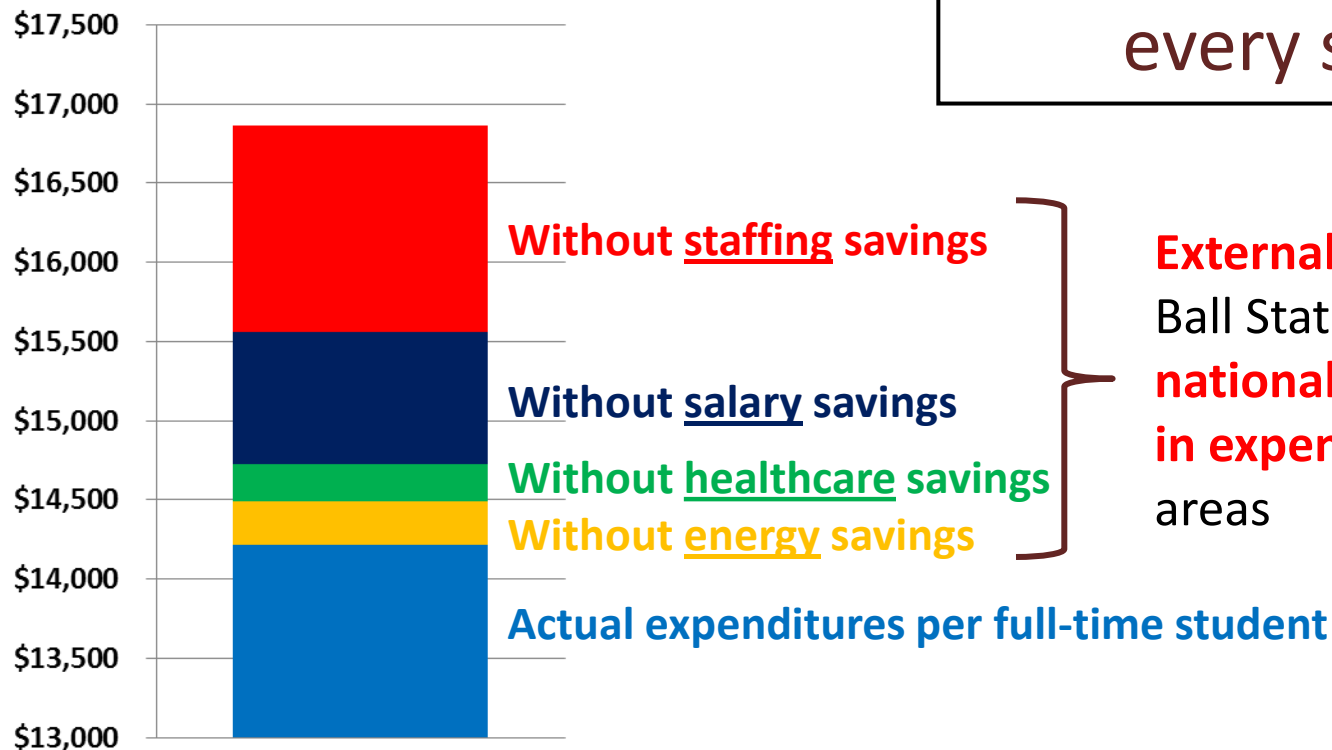
- Implemented hiring freeze/delays
- **Limited salary increases**
- Reduced pension contributions
- **Restructured health care benefits**
- Reduced overtime costs
- Decreased maintenance costs
- Reduced funding for travel
- **Delayed repair/rehabilitation projects**
- Implemented geothermal project
- Joined several purchasing consortiums
- **Educated more students without adding additional space**
- Increased space utilization
- Generated additional external resources
- **Restructured tuition**
- **Reduced minimum credit hours for most degrees**
- Conducted academic program reviews
- Implemented print management policy
- Renegotiated labor contract
- Accelerated wellness initiative
- **Increased summer usage of campus**
- Reduced hardware and software licensing expenses
- **Reduced energy expenses through conservation and operations**



Actions Impact Affordability

FY 2011-12 Expenditures Per FTE

(actual and what we would have spent if we hadn't taken the cost-cutting actions that make us more efficient than national/state peers)

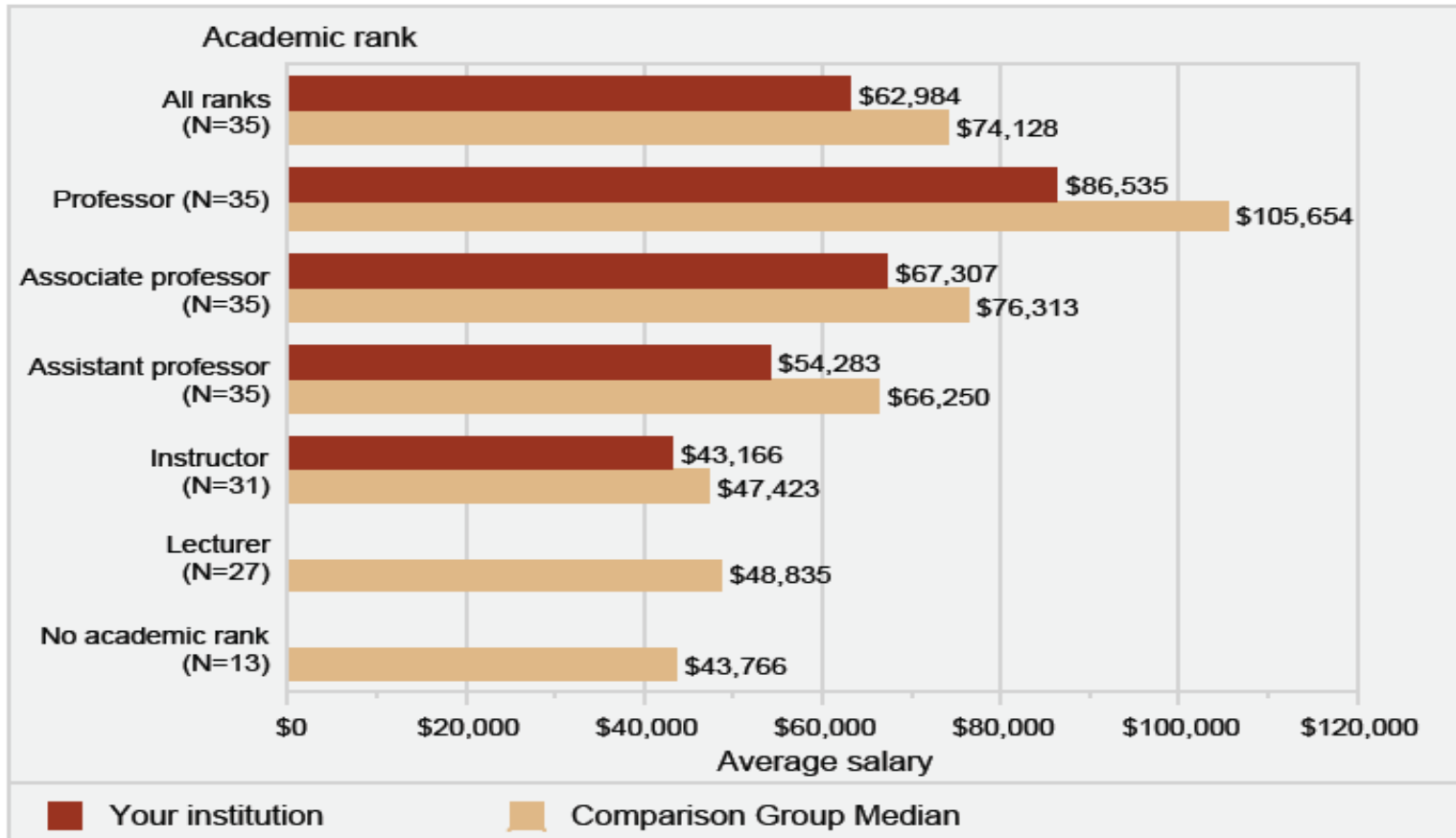


Actions result in **\$2,648**
in **tuition savings** for
every student

External studies show that Ball State is **well below national and state averages in expenses** in these key areas



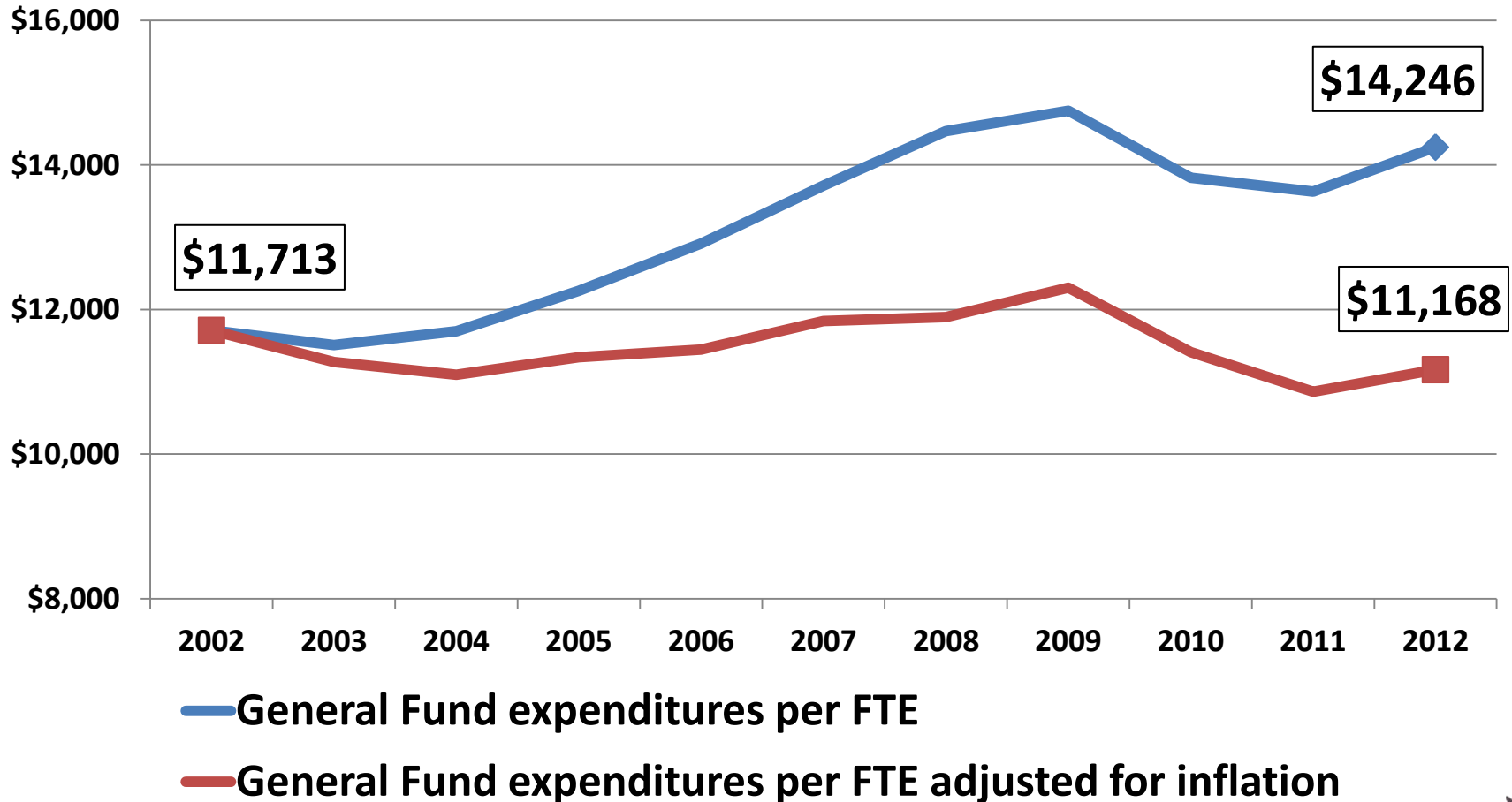
Example: Salary Comparisons



35 peers selected by the U.S. Department of Education
(based on research classification, size, selectivity, cost, etc.)

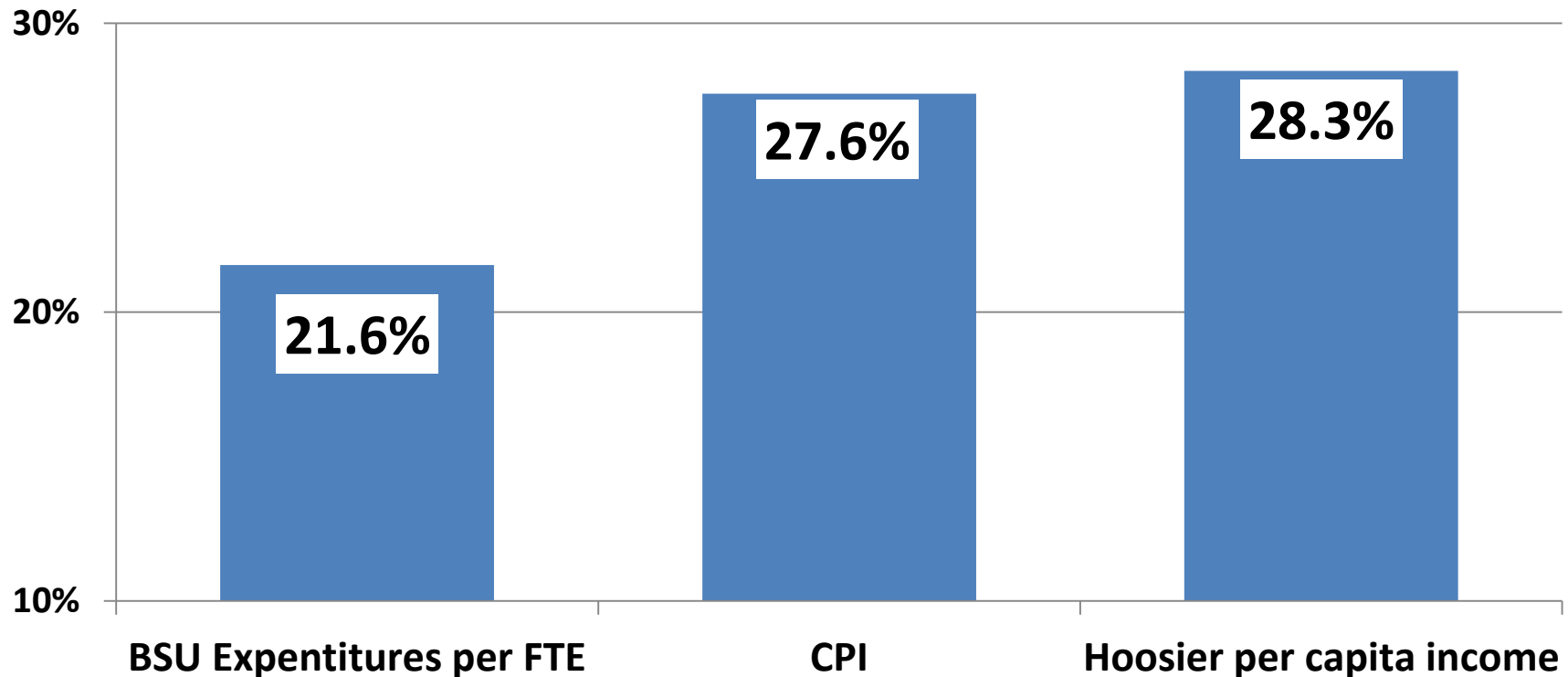


Ball State Spends Less Now than in 2002 (Adjusted for Inflation - CPI)



Ball State Expenditure Growth Compared to CPI and Hoosier Income

Percentage Increase 2001-02 to 2011-12

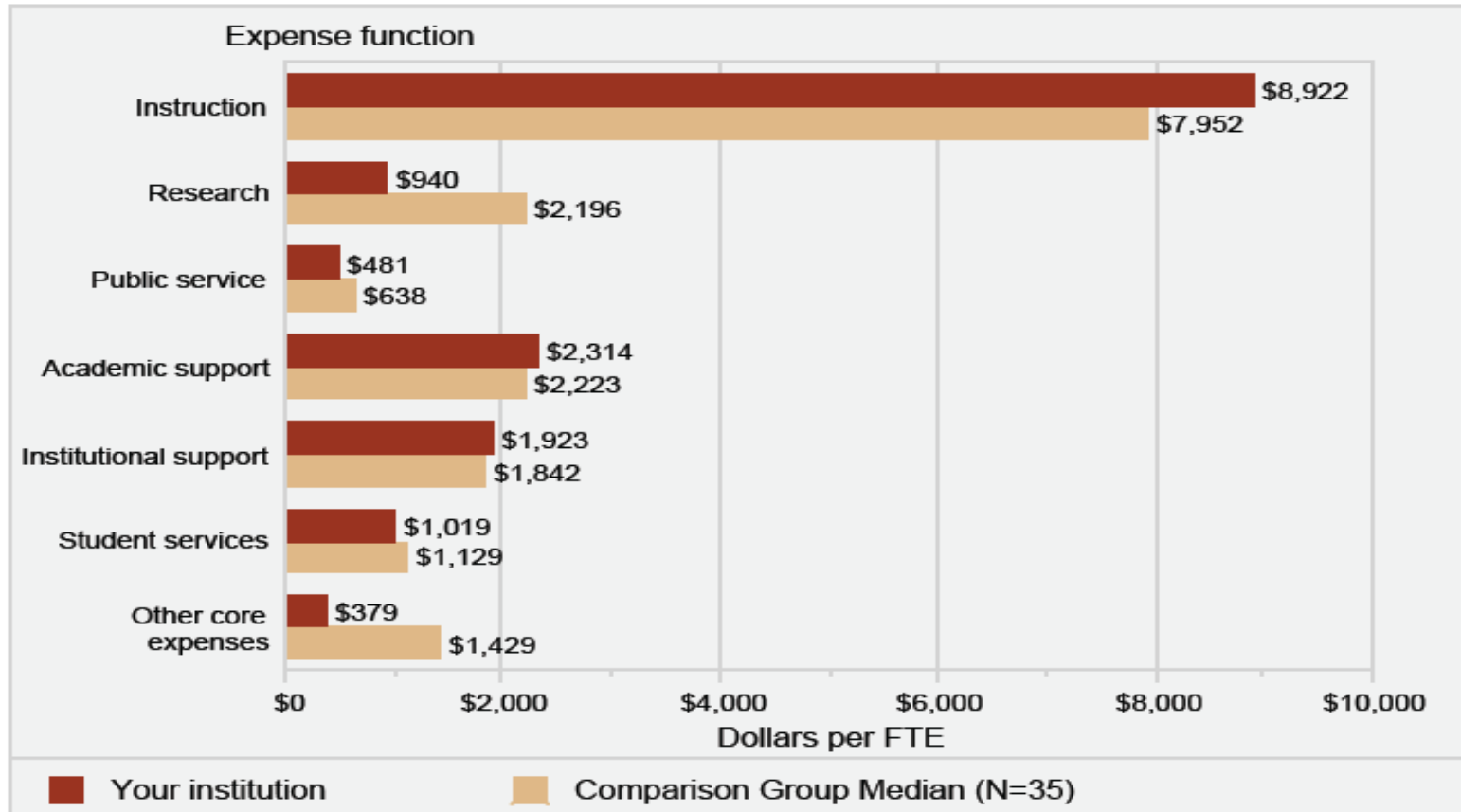


Hoosier **per capita income** grew **31% more** than Ball State expenditures



Where We Spend Our Money

Core expenses per FTE enrollment, by function: Fiscal year 2011



35 peers selected by the U.S. Department of Education
(based on research classification, size, selectivity, cost, etc.)

Ball State University
Education Redefined



Ball State:

- Makes a positive impact in Indiana
- Understands, and is acting on, the state's priorities
- **Has seen significant cuts over the past several biennia**
- Is concerned about the long-term impact of the current funding approach

and...

Needs your help

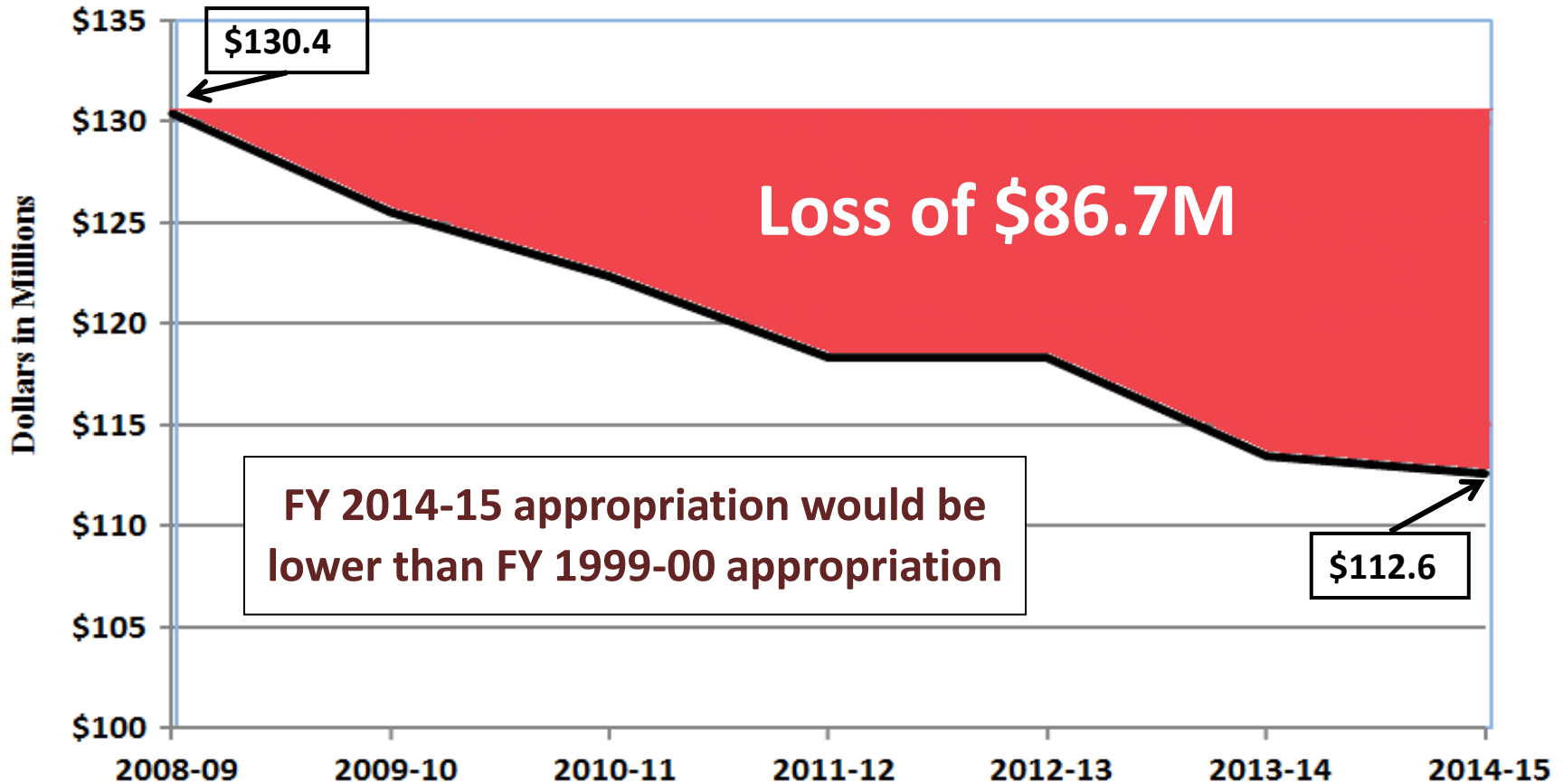


Deep Cuts to Ball State Appropriations

- ❑ 2009-11 Biennium Cuts: **\$15.3M**
- ❑ 2011-13 Biennium Cuts: **\$11.8M**
- ❑ 2013-15 ICHE Proposed Biennium Cuts: **\$11.4M**
 - Ball State **expenditures are already well below Indiana peers** and national averages in areas like salaries, health care, administrative staffing, and energy consumption
 - **Lean organizations are harder to cut**



Cumulative Impact on Operating Appropriations



*Based on August 2012 ICHE preliminary recommendation
Cumulative Loss includes loss of ARRA appropriated funds*

*Ball State University
Education Redefined*



Ball State:

- Makes a positive impact in Indiana
 - Understands, and is acting on, the state's priorities
 - Has seen significant cuts over the past several biennia
- **Is concerned about the long-term impact of the current funding approach**

and...

Needs your help



Current ICHE Proposal

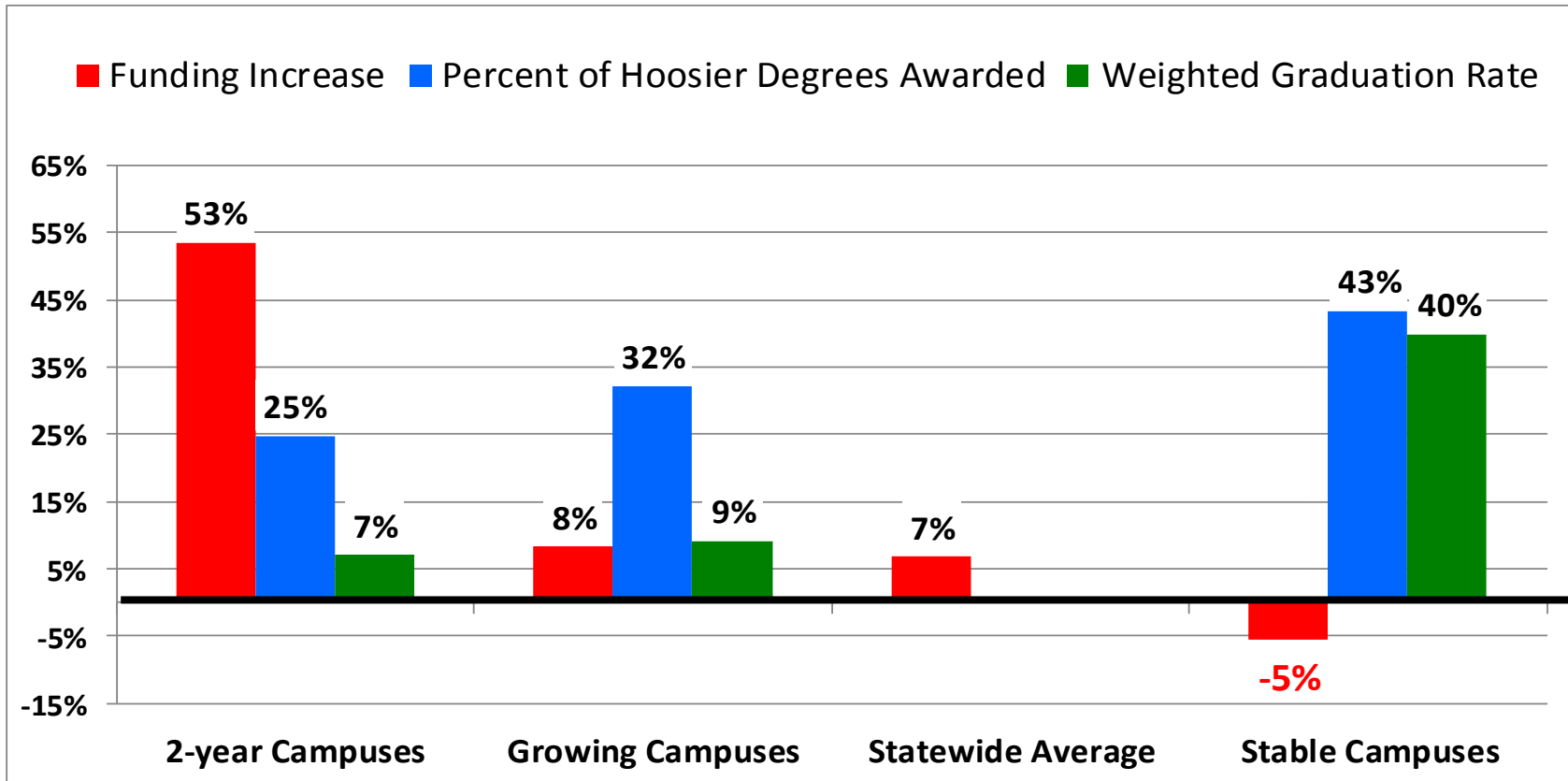
Ball State Operating Appropriations

	<u>2013-14</u>	<u>2014-15</u>
2012-13 Operating Base	\$ 118,723,016	\$ 118,723,016
Base Reduction	\$ (7,123,381)	\$ (8,310,611)
Performance Based Funding	\$ 1,862,065	\$ 2,172,409
Net Loss	\$ (5,261,316)	\$ (6,138,202)
ICHE Recommendation	\$ 113,461,700	\$ 112,584,814
Percent Cut to Base	-4.43%	-5.17%

Ball State has **the largest cut** on a percentage and dollar basis



Funds Flowing to 2-Year Campuses



Funding increase: FY 2003-04 to 2014-15
 Percent of Hoosier Degree Awarded 2007 cohort (most recent data)
 Weighted Graduation rate 2003-04 cohort (most recent data)

Ball State University
 Education Redefined



How Much Are the Metrics Worth?

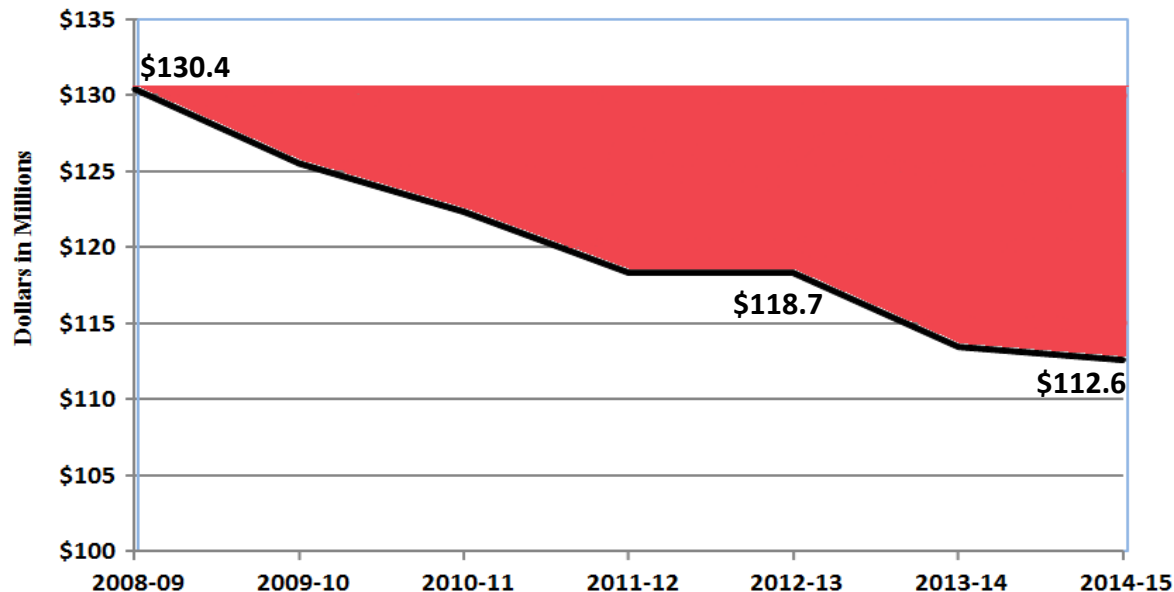
Potential Value (in baseline funding)					
ICHE Performance Funding Metrics	Certificate	Associates	Bachelors	Masters	Doctoral
Overall Degree Completion	\$2,274	\$4,547	\$9,094	\$4,547	\$2,274
On-Time Degree		\$13,371	\$26,741		
At-Risk Degree (Pell Grant)	\$1,605	\$3,210	\$6,420		
High Impact Degree (STEM +/-)			\$22,740	\$16,372	\$7,959
Ball State Total Possible (per graduate)			\$64,995	\$20,919	\$10,233
Maximum Persistence		\$2,468	\$2,678		
Maximum Remedial Success		\$2,917			
Institutionally Defined Productivity Metric	0, 0.175%, 0.2625%, 0.4375%, or 0.5425% of base appropriation				

Ball State participates in the **purple** metrics;
total available per graduate is in **red**



Quantity Driven – Can't Recover

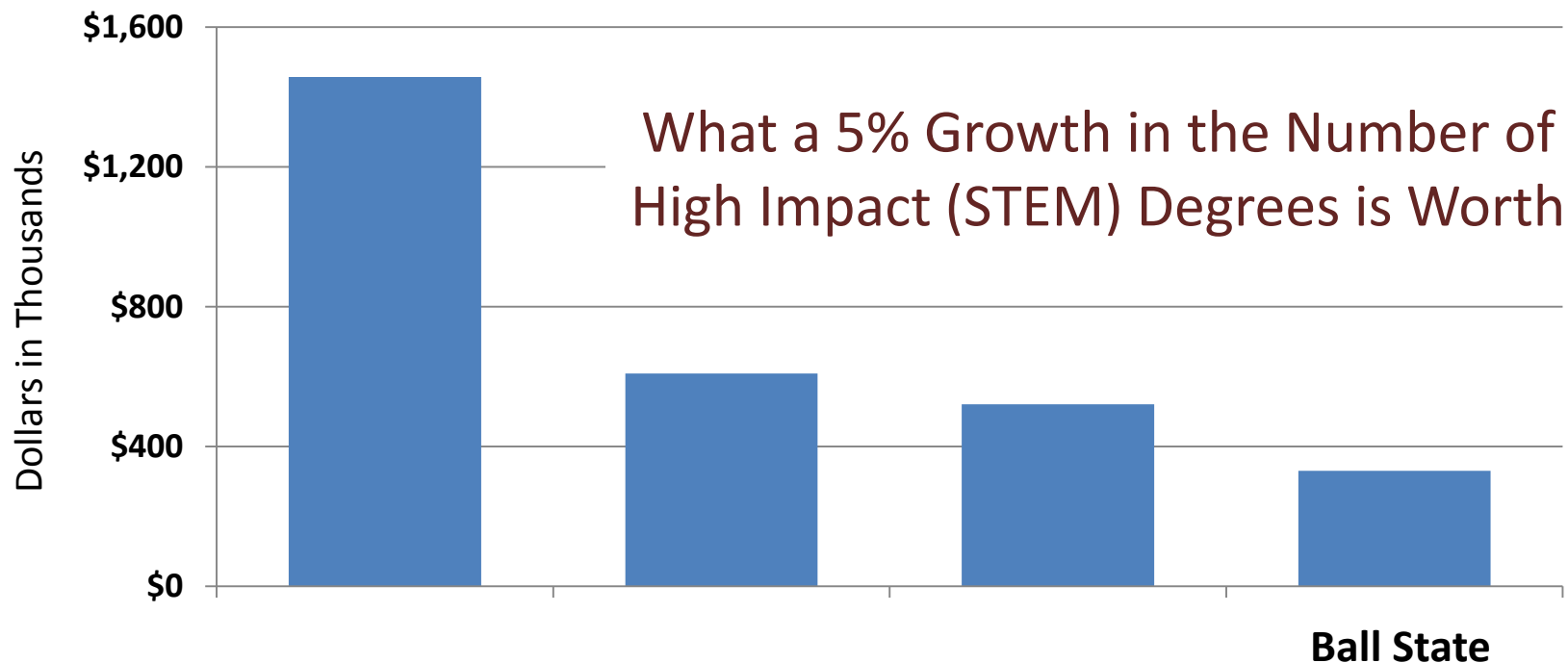
- To return to our FY '09 appropriation level, BSU **would need to increase** their:
 - **On-time graduation rate** by **47%**; and
 - **Freshman class** size by **2,000**; and
 - Number of **STEM degrees** awarded by **525%**; and
 - Number of degrees awarded to **Pell** recipients by **300%**.



The funding model favors large and growing campuses



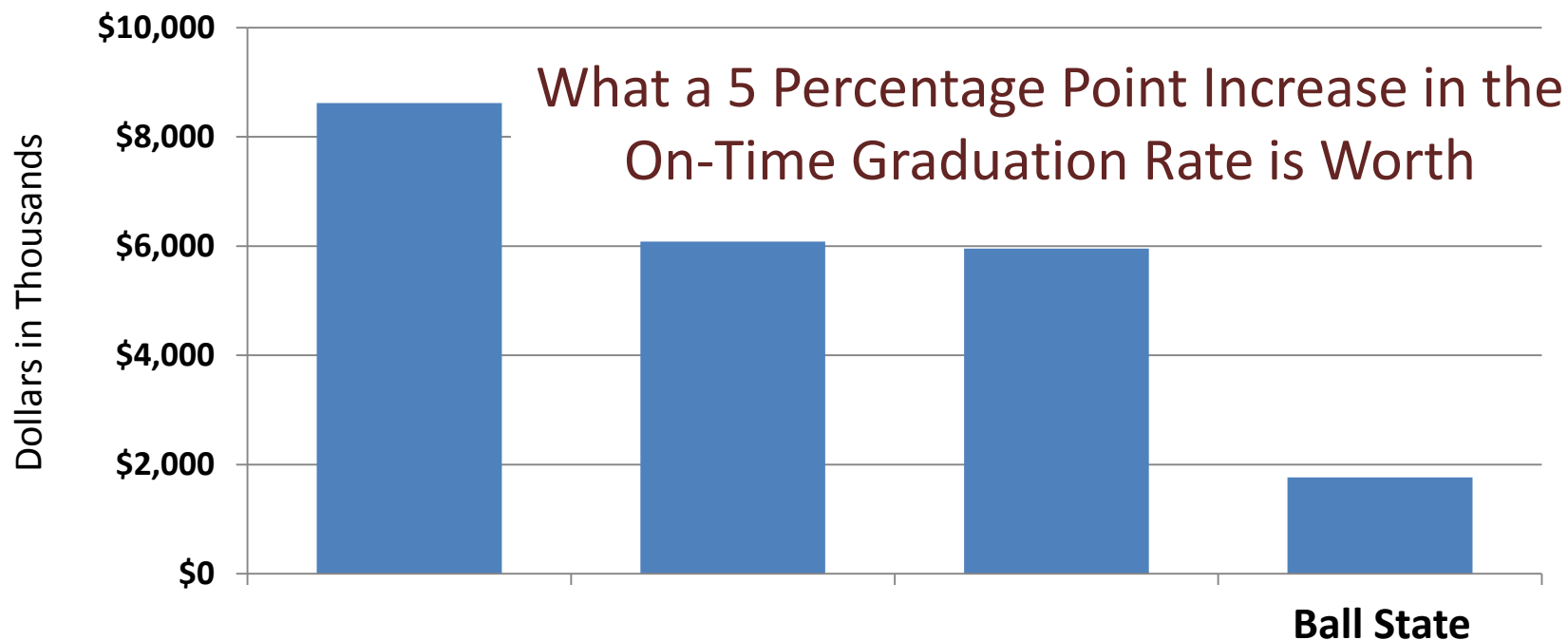
Metrics Favor Large and Growing Campuses



- Each institution would work equally hard to achieve a 5% increase
- It takes time and money to add STEM offerings and seek ICHE approval



Metrics Favor Large and Growing Campuses



- Two additional factors impact an institution's ability to increase their on-time rate:
 1. How high their current rate is; and
 2. How their current rate compares to appropriate peers.
- For a growing campus, a very small increase in percentage can be worth a lot!



Why Ball State Needs Your Help

The **metrics will not work** for institutions that are not large or growing and are **strategically focused** on increasing the **quality** of students and **learning experiences**

Yet

This strategy offers Hoosiers a **distinctive, affordable choice** and prepares them for a **lifetime of employment** in a changing economy



Capital Request

- Capital projects previous authorized
 - Remainder of Phase 2 of the Central Campus Academic Renovation and Utility Improvements project - \$12.2 million
 - College of Applied Sciences and Technology
- Special Repair & Rehabilitation projects
 - Geothermal project - \$33.3 million (\$3.1 previously authorized)
 - STEM and Health Facilities Renovation and Expansion - Phase 1; \$11 million
 - College of Architecture and Planning Building Renovation - \$24 million
 - Expansion of Tunnel Utility Systems - \$10.9 million
- Repair and Rehabilitation
 - Facilities and Infrastructure - \$8.5 million

