



THE PRESIDENT

August 31, 2020

Mrs. Teresa Lubbers
Commissioner
Indiana Commission for Higher Education
101 West Ohio Street, Suite 300
Indianapolis, IN 46204

Mr. Zachary Q. Jackson
Director, Indiana State Budget Agency
200 West Washington Street, Room 212
Indianapolis, IN 46204

Dear Colleagues:

On behalf of the Indiana University Trustees, students, faculty, staff, and alumni, I am pleased to submit IU's 2021-2023 biennial budget operating and capital request. In addition to detailed information about IU's request, this document includes an institutional narrative that provides a report on some of the University's major accomplishments and initiatives over the past two years with a new focus on our response, contributions, and actions taken during the COVID-19 pandemic.

Indiana University continues to be a leader in degree production in Indiana. It is our privilege to say that IU produces nearly half of all degrees in the state. In Fiscal Year (FY) 2020, IU produced 22,334 degrees, which is an increase of 25% since 2010. The success of our students continues to be demonstrated by the results of the Indiana Commission for Higher Education's performance funding formula. The University continues to perform well in on-time completion, overall completion, and student persistence. Success of our students and alumni is also evidenced by a recent report commissioned by the University that quantifies the economic impact the institution has on the state. This impact totals nearly \$10 billion in FY 2019 with the alumni impact making up the bulk of this figure at \$7 billion.

While IU remains very much committed to affordability and student success, the institutional narrative for this biennium would not be complete without a snapshot of how the University's students, faculty, and staff stepped up and responded in a time of crisis – the COVID-19 pandemic. From contributions in research, studies, and innovations that aid in combating the virus, and helping small businesses transition to online sales, to understanding the effects of the quarantine on substance abuse recovery, the IU community has remained dedicated to serving in partnership with the state. As with any crisis, the University has also been forced to make tough financial decisions as outlined in the narrative. But through it all, the University remains in a strong position to educate and serve future generations of Hoosiers.

Finally, I wish to thank you and your colleagues for your ongoing support of Indiana University. The University is in a unique position to contribute in propelling Indiana forward during the COVID-19 recovery and into a successful future. I, along with my colleagues and our State Government Relations team, welcome the opportunity to provide any additional information you may desire and look forward to discussing IU's requests with you.

Yours sincerely,

A handwritten signature in blue ink that reads "Michael McRobbie".

Michael A. McRobbie
President

MAM/sbt

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INDIANA UNIVERSITY

2021-2023

BIENNIAL
BUDGET
REQUEST



A man with short, light-colored hair is looking directly at the camera. He is wearing a dark-colored button-down shirt with a fine, light-colored grid pattern. He is also wearing a face mask that features the Indiana University logo, which includes the word "Indiana" in a stylized script font and the "IU" block letters. The background is a blurred outdoor scene with trees and foliage. The entire image has a warm, orange-toned overlay.

***Indiana University plays a critical
role in building the state's future.***

Unmatched

The 2019-2021 biennium proved to be monumental for Indiana University (IU), as well as higher education in general. As 2020 comes to an end, IU is concluding its successful Bicentennial Campaign, which achieved its goals of celebrating and recognizing; chronicling, documenting, and exploring; and inspiring and engaging. As IU looks towards educating students for the next 100 years, the University will build off the successful foundation laid in the first 200 years, pursue excellence for our students, adapt to changing environments brought on by both natural and unforeseen forces, and work hand-in-hand with the state to accomplish its goal of bringing prosperity to all Hoosiers through higher education.

Indiana University, along with Indiana's other institutions of higher education, plays a critical role in building the state's future. Studies of the job market and recovery after the Great Recession showed that almost all net new jobs went to workers with a degree or at least some college education.¹ In the wake of the pandemic and related economic fallout, a recent Brookings study found those most vulnerable to lost jobs and wages were workers with lower levels of educational attainment—and disproportionately so.² Similarly, as those with lower educational attainment face a choice between going into work and risking exposure to coronavirus or forgoing pay, the Congressional Joint Economic Committee found a disproportionate public health impact on the working poor.³

The value provided to Indiana by Indiana University is unmatched. The University is a key economic engine to many regions, keeping a strong pipeline of labor flowing to local job markets. It provides the state with a leading research university, a medical school that trains more doctors than any other institution in the country, an urban campus in the center of the state's capitol, and multiple regional campuses that provide a high-quality four-year education for students that want to stay close to home. The critical role of this institution was fully displayed as the State repeatedly called upon IU alumni, faculty, staff and students for aid and assistance throughout the coronavirus crisis.

This narrative focuses on the economic impact of IU on the state, the fiscal impact of COVID-19 on the University and how that impact is being managed, the University's focus on student success through affordability and career development, and the benefits that the University provides to individuals, local communities, and the state as a whole.

¹Sherman, E. (2020). *College Educated Get All Post-Recession Jobs -- Even Low-Pay Ones*. Retrieved 13 July 2020 from <https://www.forbes.com/sites/eriksherman/2016/07/02/college-educated-get-all-post-recession-jobs-even-low-pay-ones/#7fc12c98187c>

²Bateman, A. (2020). *Who are the workers already impacted by the COVID-19 recession?* Retrieved 13 July 2020, from <https://www.brookings.edu/research/who-are-the-workers-already-impacted-by-the-covid-19-recession/>

³(2020). Retrieved 13 July 2020, from https://www.jec.senate.gov/public/_cache/files/bbaf9c9f-1a8c-45b3-816c-1415a2c1fee/coronavirus-race-and-class-jec-final.pdf

Indiana University's Statewide Impact on the Economy

In Fiscal Year (FY) 2019, IU added nearly \$10 billion (\$9.9 billion) to the Indiana economy, a value equal to approximately 2.7% of the state's total gross state product (GSP). Expressed another way, the activities of IU and its students support one out of every 26 jobs in Indiana.

In the fall of 2020, Indiana University released the results of a commissioned economic impact study that quantified the significant financial effect the presence of the University and its students has on the state. The study reports impact in the form of added income rather than sales. Sales includes all the intermediary costs associated with producing goods and services, as well as money that leaks out of the state as it is spent at out-of-state businesses. Income, on the other hand, is a net measure that excludes these intermediary costs and leakages and is synonymous with GSP and value added. For this reason, it is a more meaningful measure of new economic activity than sales.⁴

The statewide impact of Indiana University reaches nearly \$10 billion with the largest category of impact coming from IU alumni, which totals \$7 billion. This number includes the net impact of alumni actively employed in the state's workforce in FY 2019.

Students, taxpayers, and society all see a positive rate of return on their investment in IU. For students, their average annual rate of return is 14.4%. To give perspective, the stock market 30-year average annual return is 9.9% and interest earned on a savings account is 0.8%. The rate of return indicates the interest rate that a bank would have to pay a depositor to yield an equally attractive stream of future payments.

Students see a high rate of return for their investment in IU

14.4%

Average annual rate of return for IU students

9.9%

Stock market 30-year average annual return

0.8%

Interest earned on savings account (national rate cap)

⁴EMSI. (2020). *The Economic Value of Indiana University*. Indiana University.

For every dollar of public money invested in IU, taxpayers will receive \$2.40 in return over the course of students' working lives. This is calculated by an investment benefit-cost ratio which measures the present value of added tax revenue and government savings and divides it by the state and local government costs.

Indiana University students contribute to the growth in state tax revenue because of the skills learned while attending the University, and businesses earn more because the students' skills make capital more productive. Both factors raise profits and other business property income. As a result, tax revenue increases since state and local governments can apply tax rates to higher earnings. Along with creating higher tax revenue, education is statically associated with a variety of lifestyle changes that produce social savings. That reduced demand for government-funded services provided in Indiana by IU will add \$257.6 million in benefits to taxpayers.



Financial Impact of COVID-19

Higher education was one of the first sectors to close in-person operations and move to online instruction and remote work environments. While this was the right decision to make, the financial and operational challenges resulting from the rapid shift to a fully online environment had and will continue to have a lasting impact on the University's operating budget.

These financial challenges are significant, but the University's financial planning goals are unwavering:

- Ensure the health and safety of students, faculty, and staff
- Advance the mission in a new, ever-changing environment
- Continue investment in academic, research, and student life

As the University closes fiscal year 2020 and prepares the budgets for fiscal year 2021, many uncertainties remain that will continue to be evaluated in determining the full financial impact of COVID-19, including:

- Housing occupancy
- Enrollment changes
- Federal stimulus funding
- Extent and duration of testing & surveillance
- Changes in mode of academic delivery if necessary due to the pandemic

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES ACT): STUDENT AID

Students at IU received nearly \$31 million in direct student aid via the federal CARES Act.

While federal legislation appropriated \$62 million across the seven IU campuses through the CARES Act, it was required that half of the funding go directly to students, while the institution was merely a pass-through entity ensuring that the distribution of the funds was carried out as required by law. This money could not be used by institutions to reimburse themselves for outstanding student balances.

IU allowed campuses to choose whether CARES Act dollars for direct student aid were distributed through an application process or an automatic process. However, IU also requested that at least some of the funds at each campus

be made available through the application process. This application process allowed students with unusual and unforeseen situations, or those not eligible to receive federal dollars, to access additional university resources for aid, including grants from IU emergency aid and IU Foundation funds.

CARES ACT: INSTITUTIONAL AID

The primary use of federal institutional aid from the CARES Act, which totals nearly \$31 million, has been to provide refunds to students in spring 2020. Refunds were for housing, dining plans, parking, and additional travel expenses for students studying abroad.



***The value provided
to Indiana by Indiana
University is unmatched.***

Positioning for Future Growth

The total FY 2021 operating budget for Indiana University is \$3.7 billion, which is a reduction compared to FY 2020. The budget reduction is primarily due to reduced revenue projections from enrollment and state appropriations. As a result of the revenue decrease, the University has taken several expense reduction and mitigation measures including:

- Hiring freeze
- No compensation increases for FY 2021
- Mandatory operating budget reductions
- Delaying internally funded capital projects and R&R

Budget reduction targets were set at 5% (\$80 million) of the University's general fund--with the exception of expenses related to student financial aid--for FY 2021. Campuses and schools exceeded this goal by reducing operating expenses by \$94 million. This equates to nearly 6% of the University's general fund or \$14 million over target. These reductions are reflected in the University's balanced operating budget in FY 2021.

In addition to the reductions implemented for the current fiscal year, the University has relied heavily on reduction and reallocation to fund academic and research programs that benefit student, employees, and Hoosier families. Over the last 6 years, FY 2015-2020, the University budget reduction and reallocation efforts have exceeded \$107M. Without the previous and current reductions from FY 2015 through FY 2021, the FY 2021 budget would be \$201 million higher.

Additional tools that are being used to produce savings while avoiding employee terminations include:

- Volunteer phased faculty retirement
- Reassignment of work duties
- Ensuring fulfillment of expected teaching loads
- Assessing opportunities for shared services



CAPITAL SAVINGS

Due to IU's AAA credit rating and favorable market conditions secured by the IU Treasurer's office, the University saved the State of Indiana approximately \$7 million on a net present value basis at the bond market.

In June of 2020, the University went to the bond market with the IU Bicentennial Repair and Rehabilitation capital project authorized by the General Assembly in the 2019 budget for up to \$62 million in fee replaced funding. Indiana University waited to issue bonds until the markets had settled down after several months of extreme volatility at the front end of the COVID-19 crises. Both absolute rates and credit spreads had come down significantly, allowing IU to issue debt at record low rates. Additionally, the University was able to structure the bonds to mature five years shorter than the 20-year life of typical fee replaced projects. The University also issued nearly \$55 million in bonds to refund prior student fee debt issuances. In total, the combined new issuances bring about \$7 million in savings to the state on a net present value basis. Indiana University's AAA credit rating along with the University's ability to successfully navigate market volatility allowed the University to secure an all-time low interest rates providing significant savings to the state.



Continuing Commitment to Student Success with a Focus on Affordability and Equity

The first priority in IU's Bicentennial Strategic Plan was a commitment to student success, which continues to be the focus into the future. Student success starts with an affordable education that permits all qualified Hoosiers to enroll and persist to graduation. IU enrolls nearly 100,000 degree seeking students (about 70% of which are Hoosiers), more than any other institution in Indiana. IU provides affordable access in two primary ways: by minimizing tuition increases and providing IU students with substantial financial aid.

AFFORDABILITY

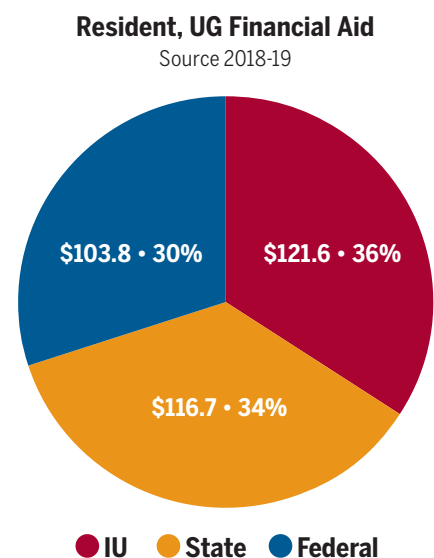
According to the College Board, over the past five years Indiana University Bloomington has seen the fifth lowest in-state tuition and fee increase of the largest flagship campus in all 50 states.

In setting tuition, IU seeks to achieve a balance between the goals of offering affordable access to IU and ensuring that the University has adequate resources to provide an outstanding student educational experience. While Indiana has seen a five-year percentage change in inflation-adjusted in-state tuition and fees of -1%, IU Bloomington has seen a -2% change inflation adjusted in-state tuition and fees over the same period.⁵

STUDENT FINANCIAL AID

Undergraduate gift aid has increased by \$68.7 million (46%) over the past six years.

Most students do not pay the tuition "sticker prices" because state, federal, and university-based financial aid can significantly reduce the net cost. In the 2018-2019 academic year (AY), IU provided more institutional gift aid to resident students than both federal and state gift aid.



⁵ Trends in College Pricing 2019 – Research – College Board. (2020). Retrieved 13 July 2020, from <https://research.collegeboard.org/trends/college-pricing>

Resident undergraduate students received a total of nearly \$122 million in university financial assistance during the AY 2018-19, double the amount provided during AY 2008-09. Continuing and expanding financial assistance programs is a primary goal of IU's fundraising efforts. Resident students also received nearly \$104 million in federal gift aid and nearly \$117 million in state gift aid.

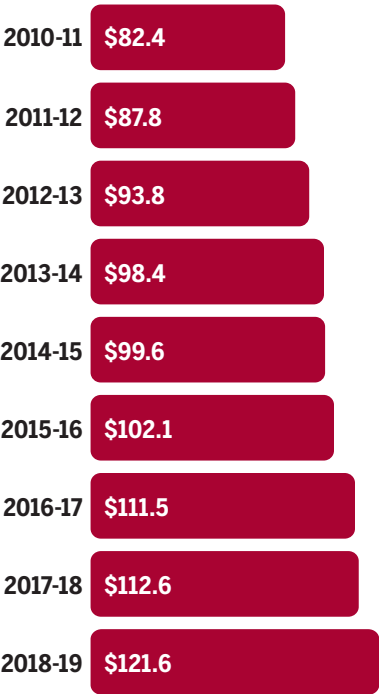
WORKING TO REDUCE THE BURDEN OF STUDENT LOANS

IU students have seen a 21% (\$138.4M) reduction in student loans since 2011-2012 academic year.

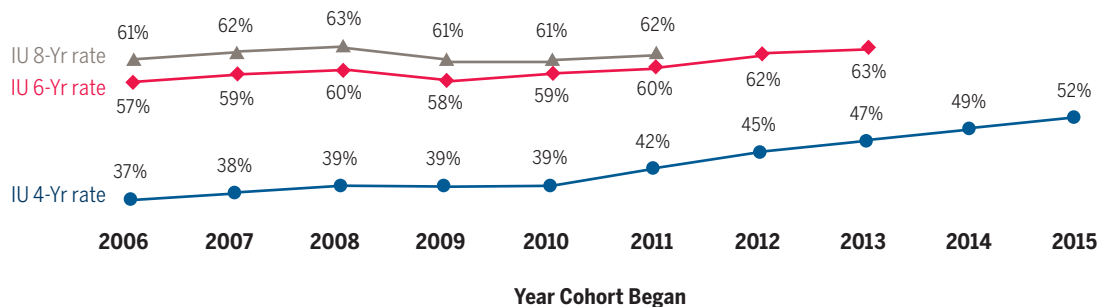
Notably, forty seven percent (47%) of bachelor's completers will graduate from IU with no student loan debt (compared to nearly 30% nationally), while 84% have loan debt less than \$30,000. The average student loan debt at graduation is just \$26,617—less than the cost of a new car. This is down 8% since the 2013-2014 AY.

Encouraging students to take more credit hours, along with other student success initiatives, has enabled IU to help students graduate in less time. IUPUI and the regional campuses had 22-28% more full-time undergraduates taking 15 or more credits in fall 2018, compared with fall 2012, contributing to increases in four-year graduation rates and student loan debt reduction. The chart below shows dramatic improvements in the four-year graduation rate improvements for IU's Bloomington, Indianapolis, and regional campuses.

IU Student Financial Assistance
Resident Undergraduate Students
(in Millions \$)



Four, Six, & Eight Year Graduation Rates



AFFORDABILITY AND FINANCE INITIATIVES

As important as it is to ensure higher education is affordable for students, it is equally as important to educate students on how to make fiscally responsible choices during their educational experience. At IU, we understand that small inconveniences of life can often become larger obstacles which, in turn, become major barriers to student retention and completion. As a result, IU has an enhanced emergency funds program where students can apply for emergency funds to help pay for medical bills, rent, utilities, and other necessities.⁶

Increased collaboration between financial aid staff and academic advisors also provide holistic counseling to support students. The financial aid staff has partnered with the IU Office of Completion and Student Success and academic advising to improve the evaluation of students' coursework to ensure classes meet degree requirements, promote degree completion and affordability.

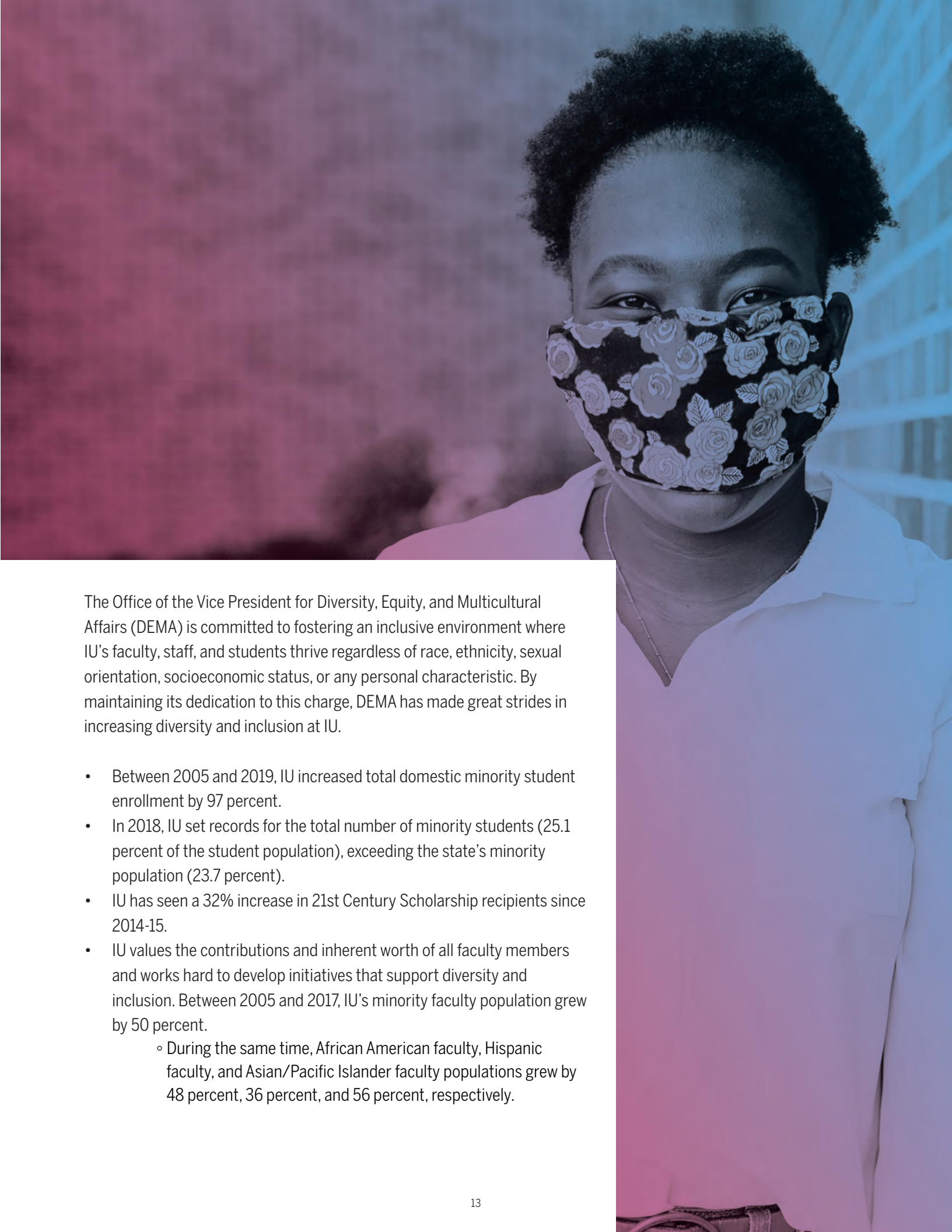
Additionally, the office has seen success in reducing student loan default rates through outreach to delinquent borrowers and contacting students who did not graduate before leaving the University. These efforts are ongoing at the regional campuses as well.

EQUITY AND DIVERSITY

Indiana University Northwest ranks 18th for campus ethnic diversity among regional universities nationally. Indiana University Kokomo is 46th, and IU East is tied for 51st for social mobility rankings among regional universities nationally, reflecting good graduation rates among students who receive federal Pell Grants.⁷

⁶(2020). *Student emergency assistance*. Retrieved 13 July 2020, from <https://www.iu.edu/emergency-assistance/index.html>

⁷Carney, C. (2020). *IU Bloomington climbs 10 spots in U.S. News rankings*. Retrieved 13 July 2020, from <https://news.iu.edu/stories/2019/09/iu/releases/09-bloomington-climbs-10-spots-us-news-rankings.html>



The Office of the Vice President for Diversity, Equity, and Multicultural Affairs (DEMA) is committed to fostering an inclusive environment where IU's faculty, staff, and students thrive regardless of race, ethnicity, sexual orientation, socioeconomic status, or any personal characteristic. By maintaining its dedication to this charge, DEMA has made great strides in increasing diversity and inclusion at IU.

- Between 2005 and 2019, IU increased total domestic minority student enrollment by 97 percent.
- In 2018, IU set records for the total number of minority students (25.1 percent of the student population), exceeding the state's minority population (23.7 percent).
- IU has seen a 32% increase in 21st Century Scholarship recipients since 2014-15.
- IU values the contributions and inherent worth of all faculty members and works hard to develop initiatives that support diversity and inclusion. Between 2005 and 2017, IU's minority faculty population grew by 50 percent.
 - During the same time, African American faculty, Hispanic faculty, and Asian/Pacific Islander faculty populations grew by 48 percent, 36 percent, and 56 percent, respectively.

CAREER PREPARATION FOR TODAY AND BEYOND

Over 21,000 students participated in career coaching sessions during the 2018-2019 AY to learn more about resume writing, career exploration, mock interviews, career course-related advising and internship search strategies.

Across every campus and every school, career services are rethinking and implementing new ways to engage students and prepare them to meet the needs of their future employers. The first step in meeting the needs of a future employer is to find that employer. In 2020, the University rolled out the use of Handshake across all campuses and schools.

Handshake is the largest early talent career network in the US, and today there are more active students on Handshake than LinkedIn. Handshake allows employers, at no charge, to post a job once and recruit from all their campus partners. On Handshake, 65% of juniors and seniors are being proactively messaged by potential employers, and employers are running nearly 250,000 searches a month. Empowering our employers to recruit across all our campuses and providing them with easy access to all Indiana University students will revolutionize how companies think about recruiting in Indiana.

At IU, we are proud that Indiana is the #1 employment destination for Hoosier students. The top in-state employers for the 2018-19 AY are:

Eli Lilly & Company

Salesforce

enVista

Total Quality Logistics

Hamilton Southeastern Schools

State of Indiana

Amazon

Cummins

Catalent

Monroe County Community School Corporation

UNDERGRADUATE POST-GRADUATION SUCCESS

At IU, 83% of students who responded to a post-graduation outcome survey reported to have found a job in their field of study with 58% of students staying in Indiana to work.

The career outcome rate of IU system-wide was 93% for students who received an undergraduate degree in the 2018-2019 AY. This rate includes graduates who accepted employment, pursued a continuing degree, served in the military, or served in a volunteer program. About 74% of

graduates reported that they had accepted employment with 9 out of every 10 employed students finding a full-time position. Additionally, of those who responded to the question, 83% of graduates were able to secure employment in their field of study, and over half of students (58%) reported that they stayed in Indiana to work. At IUPUI and the regional campuses, the percentage of graduates who began their career in Indiana is higher with 97% at IU Kokomo and 90% at IUPUI and IU South Bend.

The average debt for undergraduate borrowers at IU for the 2018-2019 AY was \$26,617. The reported average earnings of \$49,233 (bonus not included) for bachelor's recipients who reported having full-time employment would result in a monthly income of \$4,103. Their monthly loan payment of \$282 would be 6.9%, falling well under the generally accepted rule that one's monthly debt payment should be 10% or less than their monthly salary. It is clear that the 53% of IU bachelor's graduates completing their studies with loan debt have made a sound investment, since on all campuses, loan payment as a percentage of the reported monthly income was less than 10%.

CAREER SERVICES AT IU BLOOMINGTON

Career development and career services at Indiana University is a critical component to ensuring students see positive career outcomes after receiving their degree. In recent years, IU Bloomington has developed a Career Services Metrics Committee with support from Bloomington Assessment and Research. The committee provides an annual metrics report with highlights from the 2018-2019 report summarized in this section.

Prior to IU's shut down, the Kelley School of Business's Undergraduate Career Services had rolled out its plan to conduct more than 1,200 virtual mock interviews for sophomores. Undergraduate Career Services created a "virtual front desk" to hold daily office hours and appointments without any interruption in services. The Kelley School is also currently engaging with StandOut to provide a new online platform to improve virtual interviewing and engagement skills.

To meet Indiana's growing need for skilled workers in public health, healthcare, hospitality, and a multitude of other industry areas, the IU School of Public Health, along with several other career offices on campus, is collaborating with Ascend Indiana, whose mission is to help Indiana employers access the skilled workforce. This unique program helps IU students develop meaningful career paths within Indiana communities.

The School of Social Work offers both the E-telehealth Certificate, which incorporates the profession's core values and ethical standards, and the Behavioral Health Academy--created in collaboration with the University of Indianapolis and Community Behavioral Health--which specializes in preparing current students for post-graduate certifications, licensure requirements, and job opportunities.

The Luddy School of Informatics, Computing, and Engineering is providing opportunities for upperclassman to "Connect with Tech" through a recruiting event series, and have also created "Career Jumpstart" for freshman and sophomores to practice networking skills in a more personal environment.

CAREER SERVICES AT IUPUI AND THE REGIONAL CAMPUSES

IUPUI continues to be Indiana's single-largest source of bachelor's-level talent in the Hoosier economy with 91% of our employed 2019 cohort staying in the state and 82% of them in a job related to their field of study. Overall, 94% of IUPUI's 2019 graduates reported positive career outcomes with employment or further education. A key driver of IUPUI graduates' career success is their high rate of participation

in practical work-and-learn experiences, with 72% of graduates having completed at least one internship, practicum, co-op, student teaching, or clinical placement.

IUPUI prepares graduates for high demand, high wage jobs with graduates of all the following programs landing average starting salaries of \$50,000-\$61,000: electrical engineering, mechanical engineering & technology, informatics, construction engineering management, organizational leadership, supply chain management, human resource management, finance, accounting, and nursing.

Data from IUPUI's dashboard of career outcomes communicates a clear ROI of an IUPUI education and reveal that the overwhelming majority (nearly 80%) of graduates with loan debt are confident in their abilities to repay loans on time. These data also inform Indiana's small and mid-sized employers as they formulate competitive job offers.

IU Northwest continued its successful Professional Clothing Closet project to ensure that all IU Northwest students can present themselves professionally to employers. The Closet project has brought campus and community together as local business have sponsored clothing drives where individuals from both the campus and the community have donated generously.

IU Kokomo has developed a very productive relationship with Fiat Chrysler Automobiles (FCA). After taking interns on a regular basis, FCA worked with IUK to plan a co-op program where IUK faculty from the School of Business teach FCA students at their workplace. While this program is currently on hold due to the pandemic, it has proved to be a phenomenal collaboration with an important employer in the region and state.

IU Southeast sponsors a well-attended Internship Breakfast each fall where they provide training and answer questions while encouraging employers in attendance to create new experiential learning opportunities for students in the area. They also lead career excursions for their students to companies where their alumni work as a way of demonstrating what they can aspire to upon completing their degrees. Meeting with employers allows students to ask questions and gain needed insight into corporate culture.



IU South Bend keeps working to improve their career fairs by listening to employers. One of their participants, Norco Industries, had the following to say after the September 2019 fair:

“Many of the attendees actually came to Norco Industries asking for an interview as well as following through on what was needed in the employment and on-boarding process. We hired 4 out of the 10 attendees we interviewed and they are working out extremely well here at Norco. We thank you for the amazing turn-out and we know your Job Fairs yield concrete results. Please consider us again for the next job fair so we can employ even more people the next time.”

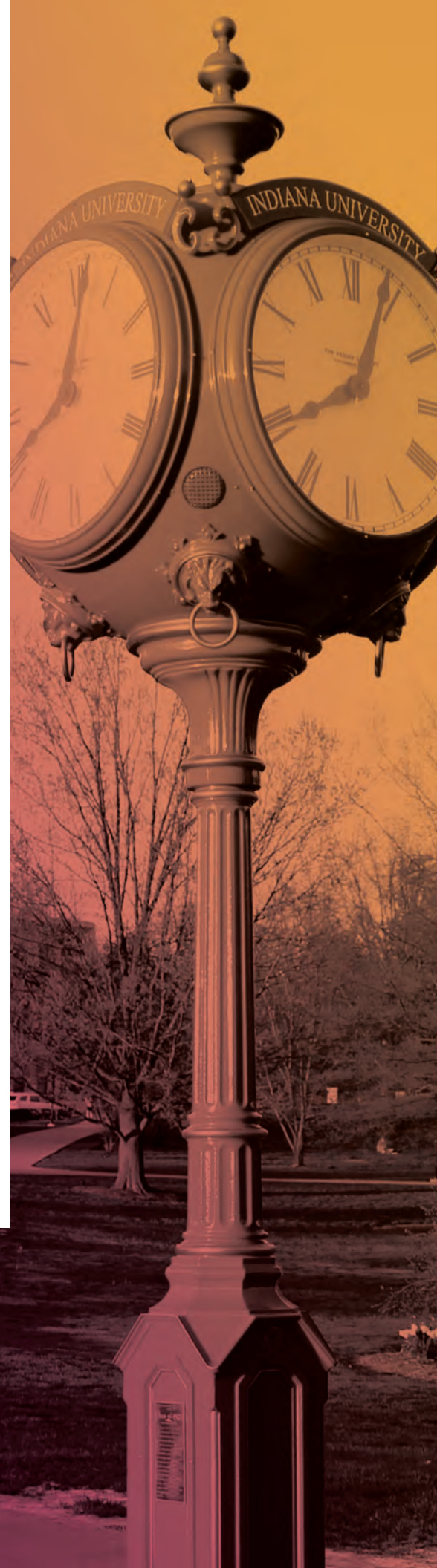
IU East's Empower Wayne County program matches IU East students with area non-profits to improve local living conditions. Students worked to develop outreach plans, branding and marketing, educational programming, and communication plans for five agencies. In addition, IU East student Morgan Weaver was nominated for Indiana INTERNnet's Intern of the Year award by her internship supervisor at WholeHeart Communications LLC.

CAREER PREPARATION THROUGH INTERNATIONAL STUDIES

Recognized as a national leader in study abroad with 70% of undergrads opting to travel abroad,⁸ IU students participate in a wide range of non-credit bearing activities overseas, including research projects, internships, and service activities. In the 2018–19 AY, more than 800 students engaged in international experiences of these kinds.

In the most recent Open Doors Report of the Institute for International Education, the Bloomington campus ranked #6 in the country—among the 1,200+ campuses for which the institute collects data—for the number of students participating in overseas study. This means that nearly one-third of IU Bloomington's graduating class has a study abroad experience—a remarkable accomplishment for one of the country's largest campuses. The campus ranked #3 in the country for semester-length programs.

⁸ Hamilton Lugar School of Global and International Studies. (2020). Retrieved 13 July 2020, from <https://his.indiana.edu/>



Hoosiers Helping Hoosiers in a Time of Crisis

Since the beginning of the coronavirus pandemic, IU faculty, staff and students have given back to their local communities, the state, and the nation through research initiatives and partnerships with the state and other groups.

STRENGTHENING THE FIGHT AGAINST COVID-19

In April 2020, the IU Richard M. Fairbanks School of Public Health at IUPUI collaborated with the Indiana State Department of Health to conduct a scientific study to measure the spread of COVID-19 throughout the state.⁹ An interdisciplinary team of IU scientists, physicians and epidemiologists designed the study and developed the scientific plan to be carried out through April 2021, providing data to guide the fight against COVID-19.

The IU Center for Rural Engagement mobilized community health networks in rural Indiana counties to address COVID-19. These health networks were built around Community Health Improvement Plans (CHIPs) in six rural Indiana counties over the past two years. The center is also providing communities with information about resources that are available to them to mitigate the impacts of COVID-19 by developing a custom-built map of food resources across the Indiana Uplands.

Additionally, the Indiana Clinical and Translational Sciences Institute's (CTSI) Monon Collaborative at IU partnered with the Indiana Family and Social Services Administration (FSSA) to establish WISE Indiana,¹⁰ which stands for Wellbeing Informed by Science & Evidence. The newly created initiative mobilized efforts ahead of schedule to support state leaders as they made decisions about COVID-19. While currently focused on the coronavirus pandemic, the partnership between CTSI and FSSA will persist into the future to ensure state preparedness under emergency circumstances.

⁹ Zeek, A. (2020). ISDH, IU partner on COVID-19 study. Retrieved 13 July 2020, from <https://news.iu.edu/stories/2020/04/iupui/releases/23-isdh-partner-covid19-study-testing-hoosiers-indiana.html>

¹⁰ Dudley, J. (2020). COVID-19 Daily Digest. Retrieved 13 July 2020, from <https://indianactsi.org/community/monon-collaborative/covid-19/>

AIDING INDIANA'S BUSINESS COMMUNITY

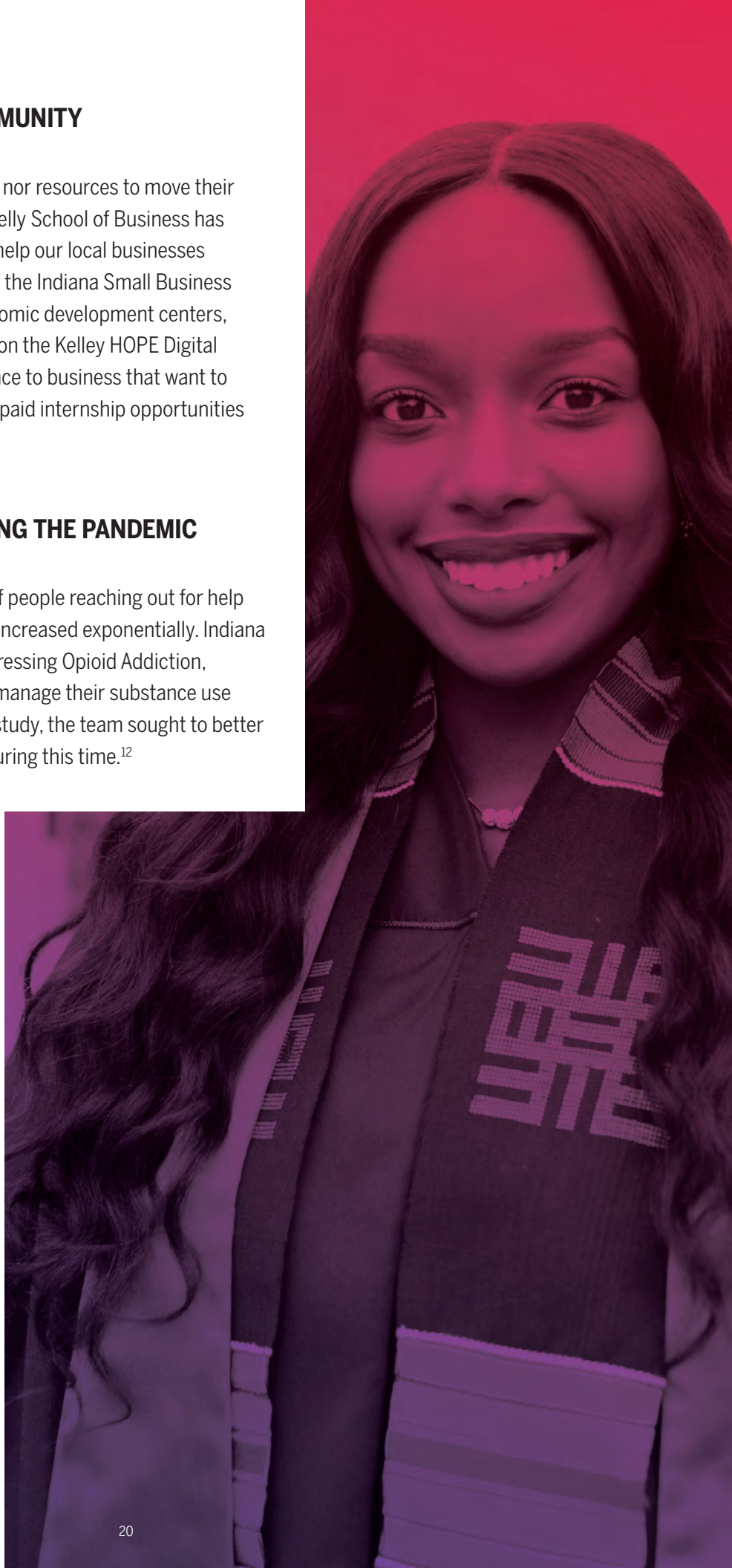
Small businesses often do not have the time nor resources to move their in-person business online. However, the IU Kelley School of Business has been able to step in and provide a lifeline to help our local businesses stay afloat. The Kelley School partnered with the Indiana Small Business Development Centers and worked with economic development centers, chambers of commerce, and business hubs on the Kelley HOPE Digital Project.¹¹ This project offers no-cost assistance to business that want to shift their operations online. It also provides paid internship opportunities for students.

UNDERSTANDING RECOVERY DURING THE PANDEMIC

During the time of quarantine, the number of people reaching out for help using the state's addiction support hotlines increased exponentially. Indiana University's Grand Challenges initiative, Addressing Opioid Addiction, studied how individuals were attempting to manage their substance use disorder during the pandemic. Through the study, the team sought to better understand the kind of assistance needed during this time.¹²

¹¹ (2020). *IU Kelley School helping small Indiana businesses go online*. Retrieved 13 July 2020, from <https://news.iu.edu/stories/2020/05/iub/releases/14-kelley-school-assistance-helps-hoosier-businesses-move-online.html>

¹² *Substance use disorder recovery a special challenge in pandemic*. Research Impact. (2020). Retrieved 13 July 2020, from <https://research.impact.iu.edu/coronavirus/covid-19-and-recovery.html>



RESEARCH, STUDIES, AND INNOVATION:

Indiana University has been busy finding ways to understand the world and seeking to make it a better place both during and after the COVID-19 pandemic.

- The Indiana University School of Medicine and Riley Hospital for Children have [partnered to conduct a study on asymptomatic transfer](#) of COVID-19. The data will be used to analyze and track the spread of the virus in those who are not aware they are hosts.
- John Patton, a virologist in the IU Biology Department, used the principles he was applying in his research on a norovirus vaccine to coronavirus and has [developed a vaccine for infants](#) that could be ready for clinical trials soon.
- Paul Macklin, an associate professor at the Luddy School of Informatics, Computing, and Engineering, is leading an [international COVID-19 simulation group to rapidly build a SARS-CoV-2 tissue simulator](#) with a group of virologists, pharmacologists and mathematicians.
- At the Luddy School of Informatics, Computing, and Engineering researchers are teaming with the IU Pervasive Technology Institute [to use advanced computing to analyze data from across the country](#).
- Students in the Media School, through the Arnolt Center for Investigative Journalism, were part of a team that [created the first nationwide county-by-county coronavirus tracker](#).
- Indiana University High School, which offers a broad range of courses for online instruction, [shares its curriculum with schools](#) across the state to help them transition to remote teaching and learning.

HOOSIERS GIVING BACK

There are countless stories of Hoosiers giving back during the pandemic.

Below are a few highlights of volunteer efforts across the state.

- An IU employee starts [food train](#) to aid local residents.
- UITS, the University's information technology division, [donated iPads to IU Health and senior living communities](#) to help families communicate in the time of visitor restrictions.
- IU South Bend student [activist starts collective](#) to assist her neighbors.
- IU linguistics [students translate COVID-19 materials](#).
- IUPUI senior inspires her sorority to [give back by supporting local food bank](#).

PREPARING *today*
FOR A BRIGHTER *tomorrow*



FY 2021-2023 Biennial Request Executive Summary

Operating Request

Components of Operating Appropriations Submission

In accordance with the joint instructions issued by the Indiana Commission for Higher Education and the Indiana State Budget Agency, Indiana University has submitted its performance funding data. This data will enable ICHE to produce biennial funding recommendations in late 2020, rewarding IU for success in pursuing state higher education goals, particularly student persistence and degree completion. In addition, IU's biennial operating request includes fee replacement appropriations necessary to make debt service payments on state approved facility bonds. Finally, IU's request includes a request to hold appropriations for existing special line items flat at originally appropriated FY 2021 levels and to reinstate dual credit funding at \$50 per credit hour.

Performance Funding Formula (PFF)

President McRobbie has long stated his support for performance funding that equitably rewards high achieving institutions for progress in meeting the state's higher education goals. In addition, he believes that a performance funding model must recognize the differing missions of Indiana's diverse set of public institutions, as even within Indiana University, the mission of the Bloomington campus is different from that of IU's regional campuses.

President McRobbie appreciated the opportunity to have representatives from the University collaborate with ICHE on ways to make the performance funding formula (PFF) more equitable for all institutions. He is also appreciative that the Commission's final PFF for the upcoming biennium incorporated some of IU's recommended changes which recognize consistently high-performing campuses.

As indicated in the following "Institutional Narrative", IU is a national leader in student success programs. In recent years, these programs have produced positive results and consequently, IU has performed well on the PFF metrics. Specifically, more IU students are persisting with their studies and graduating. In addition, more students are attempting 15 credit hours of coursework each semester leading to higher four-year graduation rates.

For the FY 2021-2023 biennium, most IU campuses continue to perform well on most of the metrics, except for graduate degrees and overall at-risk completion. The negative result for graduate degree metrics relates to decreased enrollments in education and other academic areas, most likely a result of a previously healthy economic environment in which fewer students pursued an advanced degree. While overall degree completion for at-risk students is largely negative, the positive result is that more at-risk students are completing their degrees on-time. Outcomes for each metric by campus are found in the table below.

Performance Funding Summary Model - 2021-2023

	BL	IUPUI	EA	KO	NW	SB	SE
Overall Degree Completion							
Bachelor's Degree	-15	329	76	44	31	1	5
Master's Degree	51	6	1	-2	-22	14	-5
Doctoral Degree	-12	-9	0	0	0	0	0
STEM Degree Completion							
Bachelor's Degree	8	206	6	-5	10	0	1
Master's Degree	4	4	3	0	0	-3	0
Doctoral Degree	-2	7	0	0	0	0	0
At Risk	-6	-39	6	-11	8	-33	-33
At-Risk, On-Time	5.9%	11.0%	9.0%	4.8%	8.2%	5.7%	5.9%
At-Risk Composite Value**	74	159	16	11	22	23	19
On-Time***	262	393	36	35	49	58	47
Student Persistence***	30		0	23	42	25	-15
	60		30	32	43	76	68
	90		31	39	53	65	61

** New Composite Value adds the overall, At-Risk degree completers with the Per Unit Value of At-Risk, On-Time recipients

*** Per Unit Value - Change in 3-year rate x latest average 3-year cohort size

Schools of Medicine and Dentistry

Because enrollment in IU's Schools of Medicine and Dentistry is dominated by graduate students and the metrics are primarily related to undergraduate students, the state funds these schools "outside" the performance funding formula. Specifically, the combined appropriation for the schools was increased by the same percentage increase in total new state operating funds appropriated under the performance funding formula in the last few biennia. IU requests that this precedent and funding mechanism again be applied for the FY 2021-2023 biennium.

Fort Wayne Health Sciences Program

Pursuant to an agreement between the Indiana University and Purdue University Trustees, IU assumed responsibility for providing health sciences programs in Fort Wayne in fall, 2018. Under this agreement, IU offers nursing, dental hygiene, and medical imaging programs (in addition to the medical degrees offered for many years at the IU School of Medicine regional medical education center). Initial funding for these programs was included in the FY 2017-19 biennial budget approved by the General Assembly in the amount of \$4.85 million for FY 2019. In the FY 2019-2021 biennial budget, IU Fort Wayne was treated in the same manner as the Schools of Medicine and Dentistry and received an increase which was the same percentage increase of new dollars included in the PFF. The University anticipates that the programs at Fort

Wayne will eventually be funded via the PFF. However, since IU took over program responsibility as of fall, 2018, it will be several years before the data required to determine performance on the various PFF metrics will be available. Thus, IU requests that additional funding for the FY 2021-2023 biennium be determined by the same methodology used for the IU Schools of Medicine and Dentistry, as discussed above.

Fee Replacement Appropriations

Working in collaboration with ICHE and the Indiana Finance Authority, IU has submitted updated fee replacement data. For the FY 2021-2023 biennium, changes in fee replacement appropriations are determined by additional fee replacement amounts required for any capital projects authorized by the General Assembly for funding by the state.

Special State Appropriations

In addition to its general operating appropriation, IU also receives state appropriations for several special line items for programs that provide a unique service to the state. IU requests that the existing line items be held flat at the originally budgeted FY 2021 appropriation levels each year of the biennium except for Dual Credit.

Special State Line Item	FY21 Appropriation	7% Reduction	FY21 Adjusted Appropriation	FY22 Appropriation Request	FY23 Appropriation Request
Global Network Operations Center	\$ 721,861	\$ (50,530)	\$ 671,331	\$ 721,861	\$ 721,861
Clinical and Translational Science Institute	\$ 2,500,000	\$ (175,000)	\$ 2,325,000	\$ 2,500,000	\$ 2,500,000
Dual Credit: Indiana University System	\$ 2,698,429	\$ (188,890)	\$ 2,509,539	\$ 4,726,350	\$ 4,726,350
Geological Survey	\$ 2,783,782	\$ (194,865)	\$ 2,588,917	\$ 2,783,782	\$ 2,783,782
I-Light Network Operations	\$ 1,508,628	\$ (105,604)	\$ 1,403,024	\$ 1,508,628	\$ 1,508,628
Indiana GigaPoP	\$ 672,562	\$ (47,079)	\$ 625,483	\$ 672,562	\$ 672,562
Institute for the Study of Developmental Disabilities	\$ 2,491,824	\$ (174,428)	\$ 2,317,396	\$ 2,491,824	\$ 2,491,824
Spinal Cord and Head Injury Research	\$ 553,429	\$ (38,740)	\$ 514,689	\$ 553,429	\$ 553,429
Total	\$ 13,930,515	\$ (975,136)	\$ 12,955,379	\$ 15,958,436	\$ 15,958,436

Funding for Dual Credit

Origins and Purpose of the Program

Statutory authority

- Indiana Code requires public secondary schools to offer at least two (2) dual credit courses (20-30-10), and
- Indiana Code authorizes Indiana University to establish dual credit programs through the eligible institutions and program parameters outlined in I.C. 21-43-1-2.5 through 21-43-1-10.

Other history related to the establishment of the program:

- The Advance College Project has delivered dual credit courses since 1982 through collaboration between Indiana University and high schools in Indiana, Michigan, and Ohio. The program selects and trains eligible teachers to provide regular IU courses in the high school setting. The ACP program offers 29 IU courses in 15 academic departments.
- There are currently more than 215 secondary schools (public and non-public) offering one or more ACP course in their high school curriculum.

How the Program Serves the State

Services supported by the appropriation:

- ACP enrolls more than 20,000 students annually and supports more than 800 dual credit instructors. The appropriation supports direct instruction of college courses to high school students prior to matriculation on a postsecondary campus. This activity includes: instructor selection, **provision of tuition-free graduate courses**, training and oversight; curriculum development; student assessment, recruitment, enrollment, transcription; and necessary administrative support.
- Higher Learning Commission (HLC) teacher credential requirements come into effect September 2023. Indiana University has a sustainable plan for continued support of dual credit teachers statewide and the infrastructure to support the large numbers of dual credit teachers who will require HLC related support. Indiana University currently supports roughly 25% of dual credit teachers statewide. No other institution is currently organized to provide the necessary support for dual credit teachers beyond 2020, and it is anticipated that the program will double as the HLC deadline approaches.

Primary beneficiaries (e.g. state agencies, local units of government- including schools, businesses, individual citizens):

- This activity is beneficial to secondary schools because it allows schools to meet state curricular obligations (two course requirement; honors diploma requirements) as well as increases a school's letter grade under the A-F accountability system. Further, this activity allows schools to better align their upper division curriculum with postsecondary expectations, including graduation pathways, and earning an STGEC notation.
- This activity is beneficial to students and families. The CHE has reported that dual credit participation fosters success in college and allows students to accumulate college credits prior to matriculation, at a fraction of the regular tuition cost. This represents both real savings in costs per credit and potential savings if a shorter time-to-degree is realized.

Last, students benefit significantly by early introduction to college rigor and expectations.

FY 2019-21 Accomplishments

- Expanded the IU Pipeline Project, providing more than 500 Hoosier teachers annually with tuition-free graduate courses with the capacity to serve more than 1,000 teachers per year. Added Spanish graduate courses to the project.
- Developed an IU dual credit Statewide Transfer General Education Core (STGEC) program to support expansion of Early College High School programs statewide.
- Data on number of units of service:

- FY 2019-20

Students	Credits
20,500	117,390

- FY 2020-21 (estimated)

Students	Credits
23,000	128,750

Goals for the FY 2021-23 Biennium

- To serve every Indiana high school through the IU Dual Credit Teacher Pipeline project, which ensures that dual credit teachers meet HLC requirements via tuition-free graduate courses.
- Expand availability of STGEC credential to 100 additional high schools.
- Goals for number of units of service:

- Target for FY 2021-23

Students	Credits
75,000	675,000

Indiana University requests dual credit funding at \$50 per credit hour be reinstated for the 2021-2023 biennium.

Capital Request

New Construction

Indiana University School of Medicine Education and Research Building – Indianapolis Academic Health Center

Indiana University's top priority project will create a new primary site for the IU School of Medicine in conjunction with planned expansion by IU Health at the Methodist Hospital campus in Indianapolis. This approximately 350,000-gross-square-foot facility will be near the expanded IU Health Methodist Hospital campus and the new Academic Health Center just south of 16th Street and near the IU Neurosciences Research building.

This combination medical education and research facility will include interprofessional education spaces outfitted with state-of-the-art technology, classrooms, teaching and research labs, offices, and related support space. The facility's programming will support the School of Medicine's goal of creating synergies between research and real-life applications and practice, including an emphasis on communication and collaboration among researchers, patients, and doctors.

State funding of \$75 million is requested for this project, with the remainder of the \$245 million total project cost funded by the IU School of Medicine and private grants. This project is the University's highest priority for 2021-2023.

Bloomington Campus – Multidisciplinary Research/Informatics Science Building IV

The University's fifth highest priority for 2021-2023 is construction of the Multidisciplinary Research/Informatics Science Building IV in Bloomington to be located north of Luddy Hall. This approximately 85,000-gross-square-foot facility is part of a proposed "mind, brain, and machine quadrangle." This facility will be utilized as a multidisciplinary research facility allowing for the expansion of laboratory, student study, and office space for brain sciences, psychology, artificial intelligence, informatics, data science, business, and similar programs to further IU's cutting edge, collaborative work in interdisciplinary teaching and research in these areas of study.

This project is estimated at \$50,000,000 and is the University's fifth priority for 2021-2023.

Special R&R Projects

Beginning a decade ago, Indiana University instituted a plan to eliminate the University's deferred maintenance backlog by 2020. Through consistent funding by the University and the state of Indiana, IU has reduced its deferred maintenance backlog from \$1 billion in 2010 to \$143 million at the end of fiscal year 2020. This remaining total will be addressed by the

projects in this request and as well as future projects within the University's ten-year plan. Continued funding for repair and rehabilitation projects will enable IU to perform repairs and renovations as they arise while updating facilities to current standards. These improvements will have long-term impacts including budget savings realized via the use of new technologies to improve energy efficiency and reduce utilities usage, while also providing a safe, effective, and modern environment responsive to the needs of students, faculty, and staff.

Bloomington Campus – School of Public Health Renovation

Indiana University proposes the renovation of the School of Public Health (opened 1961, with a courtyard enclosed in 2011) and the attached Bill Garrett Fieldhouse (opened in 1917 with an addition in 1927) located on the Bloomington campus.

Due to their age, these facilities need new, energy-efficient building systems (heating/air conditioning, electrical, plumbing, elevators, fire alarms and sprinklers, life safety) as well as accessibility upgrades. In particular, Public Health is served by multiple mechanical systems that should be centralized for more efficient operation. Additionally, Garrett Fieldhouse does not have air conditioning and relies on large fans to circulate air in the main gymnasium, rendering the main gymnasium, second-level gymnasium, and cardio training spaces unusable during high temperature days in summer and fall. The windows at Garrett Fieldhouse also require replacement, and some facade and indoor pool and diving well repairs are necessary for both buildings. Classrooms and labs will be refurbished with the latest technologies and seating arrangements to be as effective as possible.

This project is estimated at \$65,000,000 and is the University's second priority for 2021-2023.

Regional Campus Deferred Maintenance – Phase V

This project will continue to address work begun in Phases I-IV of the Regional Campus Deferred Maintenance requests. Fourteen projects impacting 12 buildings on five campuses (East, Kokomo, Northwest, South Bend, Southeast) will provide safe, effective, and efficient learning and work environments for students, faculty, and staff through critically-needed repairs and renovations of facilities and infrastructure. Renovations will include replacing roofs and skylights; repairing building envelopes; updating and replacing mechanical systems; converting existing mechanical systems to natural gas service; remodeling restrooms for accessibility and efficiency; and renovating classrooms and labs for accessibility, safety, and modern technologies.

This project is estimated at \$25,000,000 and is the University's third priority for 2021-2023.

IUPUI Campus – School of Dentistry Renovation

Indiana University proposes the renovation of the School of Dentistry building on the IUPUI campus, to include the original 1934 facility as well as additions that opened in 1961 and 1972.

Renovations will include energy efficient mechanical systems, upgraded building systems (electrical, plumbing, data, and fire), accessibility upgrades, facade repairs, window replacements, and updates to classrooms and labs. The mechanical, plumbing, and electrical systems in particular are antiquated, and in some cases, are original to the building.

This project is estimated at \$20,000,000 and is the University's fourth priority for 2021-2023.

State Formula R&R Funds

State formula R&R funds, in combination with university funds, are crucial to proper maintenance and repair of Indiana University academic facilities and infrastructure. The following chart summarizes current asset values at each of IU's campuses. These figures are submitted for use by the state to determine funding for the FY 2021-2023 biennium.

Based on the R&R formula, IU's appropriation request is \$15,819,589 in both FY 2022 and FY 2023, or \$31,639,178 over the biennium.

2021-2023 CHE R&R Formula - TOTAL		
Indiana University	R&R Asset Total (based upon Academic Space)	Infrastructure Asset Total
Bloomington	\$2,617,172,377	\$550,257,116
East	\$76,973,663	\$13,588,852
Kokomo	\$105,518,772	\$11,794,331
IUPUI	\$2,108,073,328	\$148,880,863
Northwest	\$201,204,979	\$23,680,786
South Bend	\$231,749,080	\$22,742,860
Southeast	\$184,083,182	\$32,115,503
IU TOTALS	\$5,524,775,381	\$803,060,311
Bloomington total includes Bradford Woods		
IUPUI total includes Fort Wayne, Evansville, and Columbus, and Innovation Center in Indianapolis		
South Bend total includes Raclin/Carmichael and Harper Hall at IU School of Medicine South Bend		