

IUPUI FACULTY COUNCIL COMMITTEE

BUDGETARY AFFAIRS COMMITTEE

ANNUAL REPORT

2003 – 2004



INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS

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Revised 6/11/04

BUDGETARY AFFAIRS COMMITTEE CHARGE

This committee shall review the general academic priorities of IUPUI and the reflection of such needs in the creation of budgets, inform the Council on budgeting procedures and points of potential faculty input, and alert the Council to matters of budgetary importance external to IUPUI (Bylaw III.B.3).

COMMITTEE ROSTER

Members with Terms expiring June 30, 2004 who contributed to this Report:

Bilodeau, Marc (Liberal Arts: Economics)
Ford, David (Liberal Arts: Sociology)
Huff, Marchusa (Nursing)
Johnson, Karen (Liberal Arts: English)
Jones, Elizabeth A. (Physical Education and Tourism Management)
Lahiri, Debomoy (Medicine: Psychiatry)
Nunn, Sam (Public and Environmental Affairs)
O’Palka, Jackie (Medicine: Allied Health Sciences)
Silk, David (Education)
Smith, Reed (Kelley Business)
Upton, Thomas A. (Liberal Arts: English)

Members with Terms expiring June 30, 2005 who contributed to this Report:

Atkinson, Simon (Medicine)
Berberi, Edward (Engineering and Tech)
Boukai, Ben (Science: Mathematical Sciences)
Gass, Sherry T. (Social Work)
Halverson, Randall (University Library)
Goebel, Joe (IUPU Columbus)
Kowolik, Mike (Dentistry)
Malik, David (Science: Chemistry) (**Chair**)
Mannheimer, Steven (Informatics)
Rees, Fred J. (Music)
Richardson, Virginia E . (Beth) (Nursing)
Robertson, Jean (Herron/Art)

Liaisons for 2003/04 (or Ex Officio)

Banta, Trudy (IUPUI Administration: Planning and Institutional Improvement) (**Administrative Member**)
Moore, B. Keith (Dentistry: Restorative Dentistry) (**Executive Committee Liaison**)
Martin, Robert (IUPUI Administration: Administration and Finance) (**Administrative Liaison**)

SUMMARY OF COMMITTEE ACTIVITIES

The main task of the Budgetary Affairs Committee is the report on annual unit reviews on the budgetary conditions of schools and non-academic units. These reviews normally occur through the “Budget Hearing” process of the administration. The Committee also provides input on numerous financial matters of the campus and proposals by the campus.

The Committee makes recommendations on campus budget priorities and provides an update on recommendations emerging from the prior year 2002-3 report. In addition, several recommendations are provided for consideration by the 2004-5 Budgetary Affairs Committee.

The first part of the Report addresses a range of budgetary issues. This year, the Committee has discussed issues relating to the distribution of campus assessments and the state appropriation. Several recommendations are made.

The final part of this Report addresses the reviews of academic and non-academic units in the budget hearing process and includes an assessment of their financial health and other financial issues.

CONTINUING CAMPUS PRIORITIES

The Budgetary Affairs Committee for several years has taken positions on priorities for budgetary decisions. The Committee continues to advocate these positions for maintaining a strong and healthy environment for our campus to prosper. While prior commitments may have already exhausted the campus Reallocation Fund, we would still like to emphasize the directions below. We also recognize that many of the priorities of previous Budgetary Affairs Reports have received attention by campus administration.

1. Priorities for Distribution of Reallocation Funds

The Committee recommends that the priority for reallocation funds be directed to the following four areas:

Students:

- Providing merit-based student scholarships to attract better-prepared students, and to improve competitiveness with other institutions.
- Enhancing student recruitment efforts, including out-of-state and international students.
- Enhancing student retention and graduation rates.
- Enhancing programs targeted toward welfare of students, including campus life (particularly housing and new student center), financial aid, and health matters.

Campus Promotion:

- Publicizing the quality and diversity of degree programs and faculty.

- Creating a more positive image of IUPUI (e.g., world-class institution).

Campus Infrastructure:

- Strengthening research and graduate program infrastructure.
- Enhancing library resources.

New Faculty/Staff:

- Supporting essential new faculty/staff lines.

Reallocation requests for new faculty/staff lines should be considered favorably only if units provide matching funds. This will require units to better prioritize their programs and underscore the necessity for adding any new faculty/staff lines.

2. *Faculty Salaries*

Concern about faculty salaries is campus-wide and ongoing. IUPUI needs to establish a systematic and campus-wide procedure to document what individual school/unit needs exist across campus and to propose a timely and equitable remedy. Every effort should be made to bring faculty salaries in line with peer institutions in order to retain current faculty and recruit new faculty competitively. We also recognize that salary issues have been addressed on some campuses, but it does not appear that our campus has received similar attention. Increases (and even sustainability) in the level of excellence of IUPUI faculty cannot be maintained with uncompetitive salaries.

OBSERVATIONS/RECOMMENDATIONS RELATED TO CAMPUS ASSESSMENTS AND STATE APPROPRIATIONS

In the 2002-3 Annual Report of the Budgetary Affairs Committee, the Committee indicated that many years (late 1980s) have elapsed since the determination of the allocation among academic units of the **State Appropriation**. The Committee felt that a re-examination of the state appropriation distribution should be undertaken driven by the changing complexion of activities on campus, evolving missions of the campus and those of academic units, and new expectations on faculty, staff, students, and units. The recent re-focus of our efforts on student success, the scholarship enterprise of the faculty and their units, and the connection of campus to external constituencies reinforces the notion that new ideas must emerge on how units are supported. Few units of today resemble those of sixteen years ago.

Another issue is the “Hold Harmless Principle” that has been in force since the 1980s. In short, this ensures that distributions are frozen so that no unanticipated changes in appropriation occur. This principle has prevented any adjustment in that distribution.

The **Assessment** is the form of taxation used to recover costs for operation of the campus. This cost contains both a driver-driven component reflecting levels of employee FTE, student FTE (credit hours or head count?), and space in each unit. These drivers determine the amount of assessment each year. However, in recent years, it is our understanding that the assessments have been held constant except for an across the board percentage increment. In addition to the driver component, there is a mandatory component arising from taxation from the central administration (campus tax), and additional special charges that are distributed through the system. For example,

the PeopleSoft charges are allocated to campuses that in turn allocate them to individual units. The part of the assessment under local control is the portion of concern to the Budgetary Affairs Committee.

In an analysis performed by FPAC consultants, it was determined that the overall account balances and long term financial scenarios, using a flat state appropriation, but different assessment rates led to significant variations in long term fiscal outcomes. *In other words, the assessment rate is a significant factor in controlling the financial futures of campus units and those outcomes are highly sensitive to these rates.* These rates are therefore critical to financial solvency and future campus development.

Bearing in mind that the accuracy of statements above reflects our best understanding of the budgetary process, several recommendations are offered for consideration to campus administration.

RECOMMENDATIONS FROM THE BUDGETARY AFFAIRS COMMITTEE

Assessment rate (campus-based driver system). In general, the current drivers are acceptable with some recommended adjustments. An original intent was to include a driver for research. A driver loosely based on external funding (direct funds) should be included to reflect the extent of services required to support the research infrastructure. That infrastructure does not necessarily get reflected in the original three drivers.

A rising difficulty noted by the Committee is the increasing number of units whose assessment exceeds the state appropriation. Our position is that the assessment should be limited to the amount of state appropriation allocated to a unit. Otherwise, units are expected to function on tuition income alone (and indirect cost recovery) for its entire mission. It is generally believed across many units that tuition does not provide a sufficient resource for the cost of instruction. This is especially true for units with a significant laboratory and instrumentation-based instruction component.

A second issue with assessments are the accountability issues evident in units receiving the assessment. The ability to raise assessments in the absence of significant feedback from supporting units is not in the interest of the campus. Mechanisms for such feedback need to be explored.

State appropriation. The state appropriation allocations across campus units should be distributed using a driver system like the assessment model. The campus should also consider, in part, a performance-driven appropriation model which some of the metrics below might follow. The appropriation drivers could include metrics related to the following (not in any order):

- Undergraduate degree production
Reflects efforts to improve retention and generate important outcome
- Graduate degree production
Reflects higher cost of graduate education and develop research infrastructure
- Student credit hours
Reflects a subsidy for the actual “cost of instruction” beyond the credit hour income generated
- Post-baccalaureate degree credit hours (GCND)

Reflects the importance of providing services and opportunities for talented students who will not receive degrees, but who have alternative educational aspirations

- Number of tenure track FTE faculty

Reflects the broad engagement of tenure-track faculty in teaching, research, and service

- Capital equipment dollar base of unit

Reflects the higher cost associated with maintaining high technology and instrumentation in the teaching and research missions

- Indirect cost revenue from external funding

Reflects the premium cost of research success and the importance of strengthening research infrastructure beyond simple overhead

These drivers would have the effect of providing an appropriation based on performance and accomplishment, and would reinforce a commitment to the principles espoused in the “Power of Two” goals of the Chancellor. *It is essential that a level of predictability exist for anticipating the level of funding for the following year.* Predictability enhances wise uses of resources and enables more effective planning.

W Policy. Currently all income from Ws awarded in academic units revert to the campus administration. This reversion occurs regardless of the expense of educating students in the classroom or laboratory. The premise is that this income supports student-oriented services on campus. This policy should be reviewed and it should be determined if all income associated with the cost of instruction should go to the units generating them. If student service units need to be supported, then perhaps that cost should be part of the total assessment charged to schools.

Data and Metrics. Before implementing a final formula and weighting of these drivers, the campus should evaluate a series of metrics, some already calculated in this year’s financial data, and others that elucidate expense trends. For example, the following management ratios should be added to the total data: cost per degree in units, appropriation per degree in units, appropriation per external dollar, and perhaps others to help understand the balance and imbalance in the current system.

Chancellor’s Reallocation Fund. The Committee recommends the continuation of this fund to accommodate special needs and directions appropriate to the global interest of the campus at large. The Chancellor’s needs to have latitude in distributing funding beyond any formulaic approach.

Hold Harmless Principle. Any new distribution system will likely have significant impact on units that would be too great if impulsively started. A staged conversion to the new system should occur, but one that makes steady progress towards a full implementation. For example, a recurring calculation each year indicating what the appropriation would be, what it is now, and progressively achieving the driver outcome over a period of 5-8 years. Such a transition can give units an opportunity to reconsider their priorities as well as their internal funding models.

Action Recommendation. The Committee recommends the formation of a suitable group to evaluate the efficacy of our recommendations and how they might be incorporated into a fair and rational system. The system should reflect development and improvement within the units so more effective strategic planning can result. The appropriate drivers need to be studied and models created to leave behind historical entitlements and funding in perpetuity that do not reflect performance and

evolution of units. This group should be composed with representation from appropriate campus entities in the spirit of recent ad hoc committees.

REPORTS OF ACADEMIC AND SUPPORT UNITS

Academic Support

The Academic Support Unit services the entire campus and individual schools through all its constituent functions. These are :

1. The Community Learning Network (CLN).
2. Academic Policy, Procedures and Documentation (APPD).
3. The Center for Service and Learning.
4. International Affairs.
5. The Office for Professional Development (OPD).
6. Enrollment Services.

Many of the responsibilities of these departments are integrated and several functions have been recognized and applauded both nationally and internationally. Notable successes have been the implementation of the Human Resources Management System (HRMS), continuing refinement of the Promotion and Tenure guidelines, national recognition of Service Activity as part of the IUPUI culture including greatly increased civic engagement, particularly by students, increasing minority student enrollment, maintenance of international student enrollment, despite a contrary national trend, and ever-increasing faculty uptake of services and learning opportunities provided by OPD.

The Academic Support Unit budget for 2003-2004 FY is approximately \$17.5 million, with clearly marked disparities between the constituent departments, related to size, need and responsibility. For example, CLN is the second highest consumer (\$3.8M) but is self-supporting. In APPD, 96% of the expenditure is on compensation. It is anticipated that the year-end situation will be break even.

Fiscal Health Summary. The unit is optimistic in that a number of innovations are leading to cost savings, and others, for example in CLN, stand to improve income significantly. However, realistically, the prospects are grim if there are no increases in assessments.

“Power of Two” Fiscal implications. Although the Unit appears to be positive in expectation that the goals inherent in “Power of Two” can be met, there is little chance of this unless assessments increase and/or some services are cut.

Commitment to Excellence. Not applicable

Long range strategies. Some of the constituent units, e.g. APPD, recognize that, as currently structured, there is little room to maneuver. On the other hand, CLN sees tremendous opportunity in tapping into a changing Indiana adult workforce of professionals that are likely to seek further education as a shoehorn to the job market. International Affairs sees a massive potential to double the current intake of students, including graduate students, and thus revenue. Beyond that, expenditure can likely only be reduced by curtailing function.

Summary Assessment. The Unit of Academic Support comprises 6 functional support areas plus the Office of the Dean of Faculties, and has grown as a fairly lean entity, essentially responding to the needs of an evolving and innovative academic institution. Surveys show that the campus values

the many and varied facilities provided. The income stream has limited options for substantial growth, although where possible, these have been identified. The concern is that, without increased assessment income or other sources of revenue, strategic curtailment of some services may become inevitable.

Administration and Finance

Administration and Finance (ADFI) plans to meet the objectives set forth under The “Power of Two” within three broad areas where opportunities for enhanced efficiency and productivity exist. These areas include bachelor’s degrees, externally funded research, and civic engagement. Under bachelor’s degrees, ADFI will streamline and automate the student financial services via use of PeopleSoft and other related services through continued development of Card Services. They will seek to engage students and provide student employment opportunities to enhance retention and student commitment. Student consumer needs will be better met through improving bookstore and food services. Finally, ADFI intends to support services that directly or indirectly influence the quality of life for students. Areas of focus here include providing for public safety and fire protection, maintaining clean and functional buildings, providing appealing grounds, and other recreational opportunities.

Under externally funded research, ADFI intends to assist with the design, coordination, and construction of related buildings and parking facilities. They will provide human resource, budgetary, payroll, and accounting support and services. Further, conference center expertise and service for the development of programs will be provided. Finally, ADFI will advise on and deliver purchasing services for initial and on-going acquisition needs.

Under the area of civic engagement, ADFI will continue to work with schools to develop and grow internship opportunities through the Center for Young Children, Human Resources, and other ADFI units. They will seek to maintain and enrich community outreach programs offered by our Police Department, sports facilities, and others. Finally, ADFI will continue to work with business and city/state agencies to develop, coordinate, and deliver public events on and near the campus.

ADFI has had a strong tradition of successfully outsourcing various sources and they will continue to look for opportunities in the future. Careful to ensure that the quality of services rendered does not suffer in any capacity under external responsibility, ADFI has provided 51 examples of outsourcings. Emphasis was placed upon six of these examples during the presentation. These examples include: 1) chilled water generation for the cooling systems; 2) lockbox payment services (Bursar, Student Loans, Treasury) which has expanded campus-wide; 3) major renovation projects and services (design and construction); 4) electric supply; 5) steam supply and infrastructure maintenance (of steam lines); and 6) custodial management.

Kelley School of Business

The Kelley School of Business (Kelley) runs four programs: the undergraduate, MPA (Master of Professional Accountancy), MBA, and Kelley Direct (online MBA) programs. Kelley reports making money in the undergraduate program and with Kelley Direct, and losing money with the MBA and MPA programs. Kelley reports it is currently at capacity in its ability to process student credit hours.

Its primary means of generating revenue is student tuition, but handling more students is a serious challenge.

Fiscal Health Summary. Kelley had shortfalls of 18%, 18%, and 5% of income in FY 2000, 2001, and 2002. It essentially broke-even in FY 2003, and is projected to do so in 2004. Its FY 2003 general fund balance stood at 6% of income.

“Power of Two” fiscal implications. Kelley is not likely to increase its student credit hours because the School is reportedly “at capacity.” More student credit hours are a challenge unless “other systemic changes” are implemented (e.g., a new building). The main method to increase revenues is raising tuition. They would like to increase Kelley Direct tuition by 10%, and would like to create a “program fee” as a means of creating a differential tuition rate for Kelly School undergraduate students. In theory, Kelley can increase its outside grant/research activity because the School currently has very few outside research projects, very low indirect cost recovery. Kelley has steadily increased the number of full-time professors (all ranks) over the last several years, moving from 21 in Fall 1998 to 28 in Fall 2002.

Long range strategies. Kelley proposes several strategies to insure financial health: (1) Raise MBA tuition rates to match those in Bloomington; (2) Raise Kelley Direct and MPA rates; (3) Charge differential undergraduate tuition, or charge a program fee to undergraduate majors; (4) Increase tuition, especially undergraduate tuition, at least 1 percentage point more than the expected increase in assessments; (5) Continue to schedule efficiently and streamline course offerings to maintain high enrollments per section; (6) Pursue construction of a new building to accommodate student credit hour growth and School consolidation, (7) Develop a *Transportation, Distribution and Logistics (TDL) Center*, and (8) Increase the size of the Kelley Direct MBA program.

Overall Assessment. The BAC should be concerned that the business school—a very popular undergraduate major—is largely unable to accommodate growth in student headcount. In addition, there should be some concern that its primary means of increasing revenue is therefore increased graduate tuition. Finally, the BAC should comment on the fact that Kelley does not generate an adequate amount of outside contract research/indirect cost recovery activity. In the long run, it will be important to continue to highlight the leadership role of the Kelley School and the contributions of its students and graduates, to potential students, and to Indiana business and community leaders. To maximize their impact, research and development projects, such as the TDL Center, can be emphasized and promoted in conjunction with campus research strengths and state economic development themes. Leadership can be developed and demonstrated via such ventures, pursued in internal collaboration with other campus units, and in external partnerships with businesses and other Indiana economic development stakeholders.

Columbus (IUPUC)

IUPUC is embarking on a period of significant change. The campus has a new Dean/Vice Chancellor who summarized a number of proposals for structural and programmatic changes. Faculty have been involved in strategic planning, and report that their morale is high.

IUPUC has identified several priorities. In Spring 2004, the campus will restructure its academic units via seven academic divisions. A number of new academic support offices, including an Office of Sponsored Programs, will be created with a structure similar to that of IUPUI, to improve

efficiency and effectiveness. The campus will increase the percentage of junior and senior level course offerings, and conduct a strategic marketing initiative.

Students at IUPUC are 99.3 in-state versus 93% in-state students at IUPUI. Currently 83% of IUPUC course offerings are at the freshman or sophomore level, but the campus is focusing on baccalaureate degrees to meet local needs. The campus seeks appropriations from the state to add degree programs recently approved, including a BS in nursing. IUPUC would like to add pre-engineering and arts programs; to reinstate a continuing education program; and to provide the last year of its education program on campus, allowing students to complete their degree locally. Additional science and technology-related programs will support the needs of sci/tech companies in the Columbus area. There is community support for adding programs that are uniquely appropriate for the Columbus area, including an architecture institute.

IUPUC is achieving increased efficiency through articulation agreements, and by sharing facilities with Ivy Tech State College. Increasingly, students will take their first two years through Ivy Tech and “automatically” finish their last two years at IUPUC. Concern was expressed at the hearing that as the campus grows, it avoid competing with programs at IU Southeast, or with Purdue’s statewide technology program. IUPUC representatives indicated that the Purdue technology program does not include engineering.

Fiscal Health Summary. The campus reports a greater need to improve student retention than at IUPUI. Improvements are sought to improve “student life” on campus, including enhancement of facilities, and the creation of a student council. In the short term, IUPUC urgently needs funds to renovate its main building, which has many serious problems. Some parts of the facility have not been upgraded since the building was constructed during World War II. The Columbus “Learning Center” building, expected to be open by April 2005, will provide new facilities for functions including: the library, bookstore, student tutoring, distance education, and academic collaboration with Ivy Tech. The campus seeks increased state support for program improvements and for maintenance, and is requesting a reduction in its “assessment”. Additional financial resources needed by the campus may be raised through its local fund raising effort.

“Power of Two” Fiscal Implications. With a new or refurbished main building, and academic program upgrades, the campus anticipates that it could “quadruple” in size. The impact upon physical plant resources by the Columbus pre-engineering program will be reduced by having students start at IUPUC, but complete their final two years at IUPUI. That program will not require IUPUC lab facilities other than for physics and chemistry.

IUPUC has made an investment in full-time faculty that will help to achieve “Power of Two” goals. Five new full-time faculty were hired in August 2003, yielding a total of 11 tenured or tenure-track faculty. However, as of Spring 2004, full-time faculty still constitute only 10.8% of the faculty workforce. Part- and full-time faculty total 102 FTE, with an average teaching load of 285 credit hours.

Long range strategies. Ongoing efforts by the campus to develop its unique mission for Indiana and the Columbus area, can strengthen its case for increased state and local financial support. The campus is also advised to move forward in securing grant-funded projects in support of innovation and economic development by local employers, and to generate cost-recovery. However,

strengthening the research and service role of the campus may be contingent upon increasing the number of full-time faculty and staff.

Dentistry

School of Dentistry graduates between 55 – 60 dentists per year. Approximately two-thirds of these graduates will remain in Indiana. Work force analysis indicates that given the expected increase in population and the resulting demand for care more dentists will be needed. The School plans to build a new facility to replace the current building completed in 1933 and last renovated in 1971.

Fiscal Health Summary. The School of Dentistry is out of debt but does not yet have the financial resources to meet the Indiana University Trustees reserve requirement of 3% of operating expenses.

“Power of Two” Fiscal Implications. School will be able to increase number of dentists graduated and potentially the number of graduates of its dental specialty programs. Workforce Analysis indicates an increased need for DDS graduates, but the market is unlikely to support doubling, so growth will be more appropriately targeted to dental specialty programs and in allied professions (e.g. dental hygiene). School is considering the potential for offering the components of the dental hygiene program by distance learning. There is the potential for transfer the dental assistant certificate program to Ivy Tech. School plans to enhance the research mission by redeploying faculty to externally funded scholarship and seeks to recruit research trained junior faculty, provided increased for junior faculty to engage in research. Current research income is \$6,480,016 as of 2002-2003. School believes there is growth potential in this area. However, a significant proportion (\$1.7M) of research in the School is “internally funded” (=unfunded). In terms of Service, the School generates between \$7.8M - \$7.9M in clinic revenue. Approximately \$1M in free care is donated to the community and to international efforts in Haiti and Mexico. Income from Clinic Services could be increased but not doubled. School is exploring the opportunity to renegotiate the contract for the Wishard Advantage patients to stem significant ongoing losses from this service.

Commitment to Excellence Funding. None received

Long Range Strategies. School is continuing Work Force Analysis to focus its educational programs in areas of potential growth. School plans to align tuition more closely with the true cost of delivery of education by utilizing differential tuition rates (e.g. for specialty programs) perhaps based on the level of demand. Changing Dental Hygiene from AS to BS may be considered in future. Implementing a pilot program in practice administration to improve efficiency and clinic utilization will enhance clinic revenue. School plans to increase externally funded research by providing released time for junior faculty and by investing indirect cost funds in development of additional research.

Summary Assessment. School has made significant progress in addressing a difficult financial situation. Work needs to continue in enhancing the efficiency of clinic operation and in promoting an increase in research initiative.

Education

The School of Education (SE) outlines five top priorities: (1) Restructuring, strengthening and expanding the teacher education program. This will be funded through enrollment growth, re-allocation of base funding, and the increase of external grants and contracts. (2) Increasing funded research through the Center for Urban and Multicultural Education (CUME). CUME is SE's R&D center, and provides a focal point for research in urban education. Additional funding will come primarily through increased foundation support and external state and federal funding. (3) Initiating an Office of Continuing Professional Development. There is high demand for continuing education, and significant increases in credit hour production are anticipated. This initiative will be funded by the new tuition and fees charged for professional development courses and workshops. (4) Revising the Educational Leadership Program. This program is designed to help train people for leadership roles in city schools. Funding for this priority will be supported through internal faculty allocation of time and collaboration with IUB faculty who have committed to the program's development. (5) Developing a Doctorate in Urban Education and an Institute for Educational Performance Assessment. These will build on a foundation of programs in place, and would help meet a growing need in the study and assessment of urban education. Initial funding will come from internal reallocation of resources; increases in base funding through Chancellor's reallocation, special legislative appropriations, and/or external federal and agency funding will be required to fully develop and implement.

Fiscal Health Summary. SE has a history of continued growth, and is currently on good financial footing. Internal resources and reallocations can be used to help support most of the initiatives/priorities listed above. Expectations are that the other priorities, with initial seed money, will become self-sustaining through increased grant writing and increases in productivity and enrollments.

“Power of Two” Fiscal Implications. *Retention/Graduation Rate:* Rate is already relatively high for SE as its students are admitted after completing two years of prerequisite courses. Doubling numbers will be a challenge since current rate is high; would require increased enrollments. Limiting factor is space and faculty. *External Grants:* Prospects good, especially with development of CUME. Fed and State governments have increased grant funding. CUME will nurture research/grant activity. Expectations for tenure and promotion have changed in SE with greater expectations for the pursuit of external grants. CUME requires greater graduate student (Ph.D.) support to help run research, though. CUME is a “calculated risk,” but expected to be fruitful.

Long-Range Steps To Address Potential Budget Shortfalls. Expectation is that continued growth in enrollment and grant dollars will offset shortfalls. Cuts, if necessary, would first be dealt with by releasing lecturers. Next step would be to terminate the 1.5 FTE commitment to the Educational Leadership Program. Other priorities listed above would be reexamined if additional cuts were required.

Summary Assessment. Presentation was excellent, well structured and supported, and succinct. Priorities well thought out and align well with Bantz's initiative; new funding sources and enrollment projections were realistic and reasonable. To meet “Power of Two” expectations, primary campus support will need to be: (1) additional space for research and faculty, and (2) financial and institutional support for Ph.D. program (to bring in students to help run grant programs). SE

administration ably addressed any concerns that decreases in some segments of Indiana's school-age population might affect SE enrollment predictions. While some populations may shrink, others are expected to grow, keeping teacher demand high. SE appears well-positioned to address evolving needs for teachers in urban areas, and to replace retirees as well as those who leave the profession."

Engineering and Technology

The School of Engineering and Technology (E&T) presented a well-prepared and optimistic picture of its fiscal situation. Highlights of that picture include an expanding role for research in a school traditionally focused on technology and application; increasing opportunity for graduate programs that serve that research agenda; increased dialogue with business and industry; and increased diversity of its student population through programs such as its new program in interior design, which should attract a type of student not traditionally associated with engineering and technology programs.

Fiscal Health Summary. E&T appears healthy and eager to grow.

"Power of Two" fiscal implications. E&T intends to double the number of BS graduates through the introduction of new BS programs involving Biomedical Engineering, INTR, IE, CE and others. Further, they desire to expand the graduate programs (Ph.D. in ECE and ME, M.S. in Technology) as well as increase the retention rate of students within the existing programs already, increase the percentage of AS graduates continuing into BS programs and shorten the length of time used to graduate through incentives utilizing partial/full tuition help for qualified part-time students. E&T also will increase the number and frequency of on-site and on-line course offerings to accommodate student interests/demands. Working closely with the Office of International Affairs, E&T will increase the number of international students enrolled in BS programs. Finally, E&T will increase the number and scope of articulation agreements with Ivy Tech State College, Vincennes University, high schools, and career centers.

Long-range Plans. With the anticipated growth, space for new faculty, researchers, graduate students, laboratories will be needed. Over the next five years, E&T will need an additional 40,000 square feet. Over the next 10 years, E&T will need an additional 95,000 square feet. Some space needs can be met through accessing 12,000 square feet of space already existing in the basement of the ET building (by January, 2005). E&T also desires that the campus fund a new floor in the next School of Medicine building for biomedical engineering and bioscience and look forward to the anticipated building which will house the IUPUI Center for Innovation (of which E&T is a partner school).

Summary Assessment. Growth is the key concept in E&T thinking. However, in order to accommodate this growth, E&T will need more full-time faculty positions, funds for part-time faculty, and classrooms. Thus, significant start-up funds will be required for the new faculty. Moreover, E&T argues for the need to reduce the teaching load for full-time faculty to a level more conducive to research expectations, and suggests that lower costing TA and RA positions be created to pick up these hours. With an anticipated increase in the number of students within E&T over the next 10 years, E&T will seek to expand support services for internships and co-ops. This will require the reallocation and expansion of school resources. Further, E&T will seek to create student project centers for capstone courses and increase partnership ties with business and industry. As graduate

programs are expanded, E&T proposes the elimination of differences between in-state and out-of-state tuition for TA's and RA's. The School believes that shifting its focus somewhat toward research will enable it to attract graduate students and funding from a variety of external sources, all of which will contribute to the reputation and productivity of the School and the campus.

External Affairs

The Office of External Affairs is in a period of transition. The office has a new acting director who was appointed shortly before the strategic priority hearings, so that the unit was not able to produce its summary of priorities, but did provide other documentation showing areas of emphasis and detailed strategies for achieving results.

Three primary External Affairs objectives are student recruitment, student placement, and campus image enhancement. The unit will continue to use "high touch, low cost" marketing techniques and activities, taking advantage of opportunities for free-media exposure. Marketing efforts will target specific potential student populations, including well-prepared students.

Consistent publicity, sustained through multi-year campaigns, will focus attention effectively and economically on opportunities for a fulfilling campus life for students, excellent academic programs, and career and workforce development through campus/private partnerships. Steady increases in participation in "Race for the Cure" provide an example of the potential for volunteer-based projects to meet campus goals; in this case, to increase research fund availability, and to emphasize the IUPUI relationship with medical research.

The unit indicates that publicity efforts will be aimed at particular groups such as Indiana policy makers. Advertising will feature "Indianapolis business leaders, alumni, students, and faculty speaking to a defined topic". The unit seeks to involve alumni in recruiting and retaining "well-prepared undergraduate and graduate students." Links to the community and Central Indiana businesses will be strengthened through activities involving alumni volunteers. Steady upward growth in the numbers of IUPUI "alumni board" members has been achieved over the last five years; except for Business and Education, all Schools are now represented with alumni boards. Student achievement is recognized through an alumni supported project to "recognize the top 100 outstanding IUPUI undergraduate students for their leadership, academic standing, and service".

The unit will seek to cultivate a consistent IUPUI identity for campus units, including developing guiding principles for shared logos and other brand identify items across campus. The unit is seeking ways to share promotional materials across campus. External Affairs will provide technical assistance, and online web resources, to all IUPUI schools to support the design of communication and marketing materials. Staff costs will be reduced through the use of student workers and interns within the unit, and by providing training to existing staff of other campus units to improve their ability to represent IUPUI in recruitment efforts.

Fiscal Health Summary. The 2003 IUPUI spirit campaign, achieving \$706 million, provides evidence that the unit can effectively raise funds, and is likely to be a net financial contributor to the campus.

“Power of Two” Fiscal Implications. The unit will be a key player for the campus to meet “Power of Two” goals. Success in civic engagement, to double the number of students who participate in internships and service learning, can be significantly enhanced by efforts of the unit. Projects involving IUPUI and community volunteers will be important in meeting “Power of Two” goals. The suggested “health science alumni activities” weekend is a good idea. Could similar events be developed for alumni from other units?

Long range strategies. Goals such as doubling graduation rates cannot be achieved through the efforts of External Affairs alone; success will require additional overall campus participation in marketing and public relations. To provide a clear vision of the value of IUPUI to potential students and parents, and business and community leaders, “outreach” projects such as corporate partnerships, research collaborations, and the development of internships, should be emphasized, developed, and promoted in accord with campus strengths and state economic development themes.

The unit indicates that effective student recruitment will be based on selectively targeting particular groups of potential students for particular academic programs. Thus, strategies for student recruitment efforts will need to be developed through campus-wide input, to identify appropriate academic programs to promote, taking into account the potential for growth of particular academic units, and campus academic and research goals.

Health and Rehabilitation Sciences

The School of Health and Rehabilitation Sciences is the reorganized School of Allied Health. This is their first year as this new entity where some programs have been transferred to other units.

New accreditation requirements necessitate that the School convert two of its undergraduate programs to graduate programs, viz., Physical Therapy and Occupational Therapy. The degrees Doctor of Physical Therapy and Master of Science in Occupational Therapy will replace these undergraduate degrees by the year 2005.

Fiscal Health Summary. The School cannot afford both graduate and undergraduate faculty. Approximately half of the School’s 25 full-time faculty members are retiring in the next 5-7 years. Their replacements must have strong research and graduate teaching qualifications.

“Power of Two” fiscal Implications. This conversion to graduate programs and graduate faculty dovetails with the School’s plan to secure more research and grant monies. A graduate faculty with research capabilities should enhance the School’s capability of obtaining external funding.

Their goal is 25% of their budget from external funding; 60% from tuition and 15% from state appropriations.

Commitment to Excellence Funding. This unit received no “Commitment to Excellence” funding.

Herron School of Art

The Herron School of Art provides training in various aspects of the visual arts ranging from drawing and painting to visual communication, to art history and art education. They serve majors who seek careers in the visual arts and both students and members of the public who seek greater understanding of the arts. The School's primary goals are 1) to attract and retain highly qualified, highly engaged faculty; 2) to serve increasingly as a resource in the arts locally, regionally, and beyond; and 3) to provide exceptional educational opportunities to a diverse array of students. As it grows, Herron expects to increase revenues both from student credit hours and from private support. The School is in a transition period as construction continues on its new home on the main IUPUI campus, so its plans and projections are necessarily tentative. However, Herron has shown a positive net operating budget in all but three years since 1998-99. In 2002-3, it had a net operating surplus of \$31,570, while its Ending Fund Balance increased to \$1,233,439. No surplus is predicted for 2003-4.

Fiscal Health Summary. Herron's fiscal health is improving, through the School's several efforts to increase donations and to expand offerings. However, problems with faculty salaries, as detailed below, remain a serious problem.

"Power of Two" Fiscal Implications. It has not been possible for Herron to create a valid projection, because their circumstances will be changing so dramatically. The campus projections for Herron are based, moreover, on Herron's current situation. Through careful planning and the range of activities outlined above, the School projects a positive future and hopes to receive endowments stimulated by the School's progress. However, faculty salaries remain a problem that cannot be solved through increased fund-raising.

Several factors that have been problematic in the past are expected to improve dramatically with the new facility and the proximity to the rest of the campus:

1. Low number of service courses: Now there is insufficient room for extra service courses, and students from outside the School are less interested in courses that are located away from the main campus.
2. Divisions with low enrollment: Some course areas (for example, furniture design) are located in the least comfortable areas of the old buildings and thus may be losing majors.
3. Low faculty morale: Low morale results in part from the poor teaching conditions.

The greatest need that Herron feels now is in the area of faculty salaries, another major cause of low morale among faculty members. Not only are the Herron salaries below the IUPUI median at every rank (although, at the associate and full professor ranks, both the average and median years of service are longer) but Herron also ranks at the bottom of urban peer institutions in salaries.

In moving to the new facility on campus, however, Herron expects to be able to increase both number of credit hours and retention. Herron's enrollment in 2003 was up by approximately 88% over that of 1990, and, with the new facility, the School can increase the number of undergraduate classes, add graduate programs, and attract more out-of-state, international, MFA and non-major undergraduate students. It is anticipated that they can double tuition intake while increasing undergraduate majors by only 15%.

The overall retention rate is 83%; for freshmen and sophomores, it is 78%. However, some of the students who leave have not been asked to return. Herron wants to keep its retention level high without sacrificing its standards, and it is anticipated that this is possible. The average SAT scores for entering students are climbing, and the current average is 1,058, compared to 967 for IUPUI as a whole. The School will launch a new MFA in Visual Communication when it has space and faculty to accommodate the program.

Commitment to Excellence Funding. Not Applicable

Long Range Strategies. Herron's planning process this year is centered around its up-coming move to its new facility on the main IUPUI campus; completion is projected in the spring of 2005. Leading up to this move, Herron has conducted a self-study and, in November of 2003, underwent a re-accreditation peer review by the National Association of Schools of Art and Design (NASAD). The School also hired (at a sliding scale) a private research consulting firm, Full Circle Design, to work with faculty and staff in the areas of community, students, alumni, and donors.

As the School looks to the future, its emphasis is on how to use the new facility to position the School for growth; this effort has several aspects in addition to the recruitment and retention efforts discussed above:

1. Changing administrative structures: Departments will now have chairs, decreasing emphasis on the dean as decision maker and strengthening faculty governance.
2. Increasing community interaction. A Community Learning Director has been hired. Joint appointments such as that with the Indiana Arts Council will also help in this area, as well as in recruiting new faculty.
3. Emphasis on the Principles of Undergraduate Learning (PULs): As part of its self study and accreditation review, Herron has clarified its learning outcomes for the PULs; in particular, they are emphasizing civic engagement through their professional practices internships.
4. Increased rates of donation: In conjunction with its work with Full Circle Design and on its community initiatives, Herron has been raised its donation rate. To date, Herron has raised more than 12.5 million dollars in funding for the new facility; the donor rate has increased in other areas as well.
5. Creating a new Center for Art, Design, and Public Life: This center will provide academic research opportunities as well as increasing campus-community partnerships and enhancing community access to campus resources.

Summary Assessment. Herron shows a clear plan with both external and internal components. Anticipation of their new facility has spurred a range of assessment and restructuring activities, ranging from administrative changes to curriculum additions and modifications. The School makes a persuasive case for its achievement and its potential for growth. It is also clear that, as in some other schools and departments, faculty salaries are not commensurate with the IUPUI norms or with those at peer institutions. Because of its location, the School has not been able to offer service courses or to attract non-majors with interests in art and art history; after the move, the Herron curriculum and extracurricular programs will greatly enhance IUPUI's visibility in the community and its attractiveness to students. The School should be supported in its efforts to maximize the benefits of this transition.

Informatics

The mission of the School of Informatics (SI) is to “lead the nation in the development of an innovative and successful new curriculum for information technology and its applications, educate students, encourage interdisciplinary research projects in informatics...[create]education and communication partnerships and collaborative research partnerships...and develop synergistic relationships with industry.” SI was established in 2000 with special funding from the Indiana General Assembly, with guaranteed base budget increases, allowing the hire of six (through 04/05) new faculty members and the conversion of four visiting positions into continuing positions. The new CAB/ICTC building should be completed in May, and the majority of SI faculty and staff will move there from Mary Cable. Since 2000, growth in undergraduate courses has tripled and credit hours quadrupled; rapid growth in graduate programs and undergraduate credit hours is also expected with the new hires. PhD programs in Informatics and Bioinformatics are under development.

Fiscal Health Summary. SI has solid funding from General Assembly. With anticipated growth in undergraduate and graduate enrollments, along with significant dollars from grant programs, there is no anticipated deficit for the next ten years.

“Power of Two” Fiscal Implications. *Retention/Graduation Rate:* As SI is only a few years old, retention and graduation rates are meaningless at the moment. However, with strongly linear growth in undergraduate credit hours generated expected for at least the near future, retention/graduation rates are expected to be healthy. *External Grants:* SI is very strongly situated to dramatically increase external grant awards, especially with the new faculty hires; one new hire has already submitted grant proposals totaling over 2.2 million dollars since September. The Informatics Research Institute was specifically established in 2003 to increase support for and initiatives in external grant writing.

Long-Range Strategies. Expectation is that growth in enrollment and grant dollars will continue. Additional lab fees for MA programs, the addition of new certificates, and the addition of online undergraduate courses are also being planned. No budget shortfalls are expected in the foreseeable future.

Summary Assessment. Presentation was impressive and thorough. Priorities were well thought out and align well with Bantz’s initiative; funding sources and enrollment projections were realistic and reasonable. SI may be uniquely situated financially on campus, as it is a very new program that is strongly supported financially by the General Assembly, and it has impressive opportunities for growth in student credit hours, student graduation, and external grant dollars. Consequently, SI appears to be financially well situated.

Journalism

As one of the smallest academic units in IUPUI, the School of Journalism strives to maintain its optimism for meeting its declared academic and professional missions while also addressing some foreseeable financial constraints and challenges.

Fiscal Health Summary: The School enters the 2004-2005 budget year with a fund balance of \$185,000, which amounts to 25.5% of its total general fund. With this, the School's fiscal health at present time appears to be good.

“Power of Two” Fiscal Implications: The School plans to work on increasing the number of its majors, by approximately 10, so as to meet one of the “doubling” challenges. The fiscal implication of this added effort would be minimal as it will require no additional financial resources and it will offer no new substantial income streams.

Commitment To Excellence Funding: None noted.

Long Range Strategies. In a half-page summary of their 10-year Strategic Priorities Plan, the School described some of the various measures it may take for addressing future budgetary “shortfalls”. These measures include a reduction of 10% in general expenses, coupled with steps to generate a 5% increase in advertising revenues from the Sagamore. Alternate and less expensive hiring arrangements of full time faculty will be explored. The School will also take steps to increase the number of undergraduate majors while also redesigning or enriching their professional offerings to be more current with the multipurpose information era.

Summary Assessment: In light of the rapid changes of information sciences and the multipurpose media, the School should, at some point, ascertain the direction and the potential for its further development. The School also should assess the potential impact as well as cost/benefit that a privatization of the Sagamore may entail.

Labor Studies

The Division of Labor Studies (DLS) is a system-wide unit serving Indiana's workers with credit and non-credit university courses designed for their special needs. DLS seeks to grow into a larger, higher quality program under Director Charles Davis. The DLS Annual Report lists five principal goals: 1) To expand its role in and value to the University and the general community. 2) To exhibit a strong commitment to diversity. 3) To expand enrollments through credit offerings. 4) To expand enrollments through non-credit programming and to expand outreach through teaching to the labor community. 5) To increase the quantity, quality, and influence of its scholarship by conducting applied and academic research. As it grows, DLS expects to increase revenues from both student credit hours and from contracts and grants. DLS has shown a positive net operating budget since 1999-2000. In 2002-03 it had a net operating surplus of \$181,920, while its Ending Fund Balance increased to \$331,186. Taking into account the special state appropriation to DLS (\$382,660) along with an increase in revenue, its Total Fund Balance for 2002-03 was \$367,252. DLS has met the Trustee 3% Reserve Requirement in each of the past 4 years. The total reserve in 2002-03 was \$47,877; \$48,052 is projected for 2003-04

Fiscal Health Summary. DLS remains fiscally healthy and apparently well-situated to absorb impacts of financial uncertainty. Recent steps DLS has taken to generate revenue, including especially increasing on-line credit hour income, have already shown dramatic success.

“Power of Two” Fiscal Implications. In fiscal terms, “doubling” for DLS entails increasing revenues from credit hours and contracts or grants. DLS-Indianapolis generated fewer than 100

credit hours per year, on average, over the past several years. The introduction of on-line courses last year resulted in a dramatic spike in credit hours for 2002-03. DLS hopes to increase these by attracting more non-resident students, a strategy that will require lowering the tuition costs for out-of-state students. But as promising as on-line courses seem to be, looking to on-line credit hours for income carries some risk. First, the market is highly competitive and it will be hard to sustain an infrastructure to support the effort. Second, initial enrollments suggest that as on-line credit hours increase, credit hours from traditional students fall. Apart from teaching, DLS faces a much greater challenge with respect to contracts and grants. The DLS faculty is not a research faculty. Its contracts and grants come principally from state skills training funds for which the Division might become more competitive, as long as they are available.

Commitment to Excellence Funding. Impact on Unit. (Not Applicable)

Long Range Strategies. DLS is optimistic about its ability to maintain positive fund balances over the next ten years. The optimism is grounded in the implementation of cost-reducing administrative practices and revenue-generating activities, especially as demonstrated in the success and continuing development of the on-line course initiative to generate revenue. A sound future also assumes that there will be continuing contract opportunities, a continuing special state appropriation, and no increase in assessments.

DLS continues to move toward its place as a regular IUPUI academic department. The Director is confident in the Division's ability to meet its strategic goals. He has focused on generating revenue and has been particularly successful in increasing credit-hour income from on-line courses. It will be important also to increase regular credit hours and to encourage faculty to seek research opportunities in anticipation of an eventual decline in on-line income.

Law

The JD program applications are up to 2000 plus for 260 positions. No increase in size of the JD program is planned. Only modest tuition increases for JD are planned through the next 4 years although the number of applicants, the reputation of the School and the competition would support significant tuition increases. Growth and new revenue will occur through the LL.M. program. Population of 200 students is planned by 2009. LL.M. program is projected to expand into 4 additional areas of concentration beyond the American Law for Foreign Lawyers program operating now.

Fiscal Health Summary. School projects a surplus of \$602,000 for 2003-04 allowing \$500,00 transfer to reserve account. Additional expenses related to furnishing new building should terminate in June 2004.

“Power of Two” implications. All new enrollment and degree growth is projected to occur in LL.M. program. JD program enrollment is limited by facilities. New director of grant development hired Feb. 2003 and has written grants totaling \$868,498 with \$332,000 funded. A grant from the US State Department for a pilot western style law court in China could expand into a multimillion dollar full scale project. New LL.M. programs under development in Intellectual Property Law, Health and Ethics Law(ONLINE) and International Human Rights speak to needs of local and state economy

and businesses. Minority enrollment was 17% for 2003 and the School was acknowledged during their recent ABA Accreditation (2003) for “great success in student diversity”.

Commitment to Excellence Funding: NA

Long Range Strategy. Law School has a well thought out plan to grow programs and income. Significant budget reductions are not planned. The economic forecast on the income side appears conservative.

Overall Assessment. The School of Law’s 10 year plans appear to be realistic. The School plans to make a very significant turn around this year in terms of budget surplus. This is a good sign that the School’s strategies are working. The Law School anticipates a significant number of retirements in the next 10 years but will have very limited additional 18-20 liabilities. No specific recommendations.

Liberal Arts

The School of Liberal Arts offers their own majors and also provides service to all other academic units. They generate 145,239 credit hours and \$24.5 Million in student fees. This accounts for 107% of their budgeted expenditures for 2003-2004. They have a \$2.5 Million deficit of Assessments over State Appropriations which makes their budget process particularly challenging. Their student fees have increased approximately 10% (credit hours increased just over 1%) while compensation increased less than 1% over the last year.

Liberal Arts erased an internal deficit, primarily dedicated to student financial aid, of about \$1 million and raised \$10 million towards the Campus Campaign.

The School wishes to increase tenure track faculty, but has found it necessary to depend increasingly upon lecturers and adjunct faculty to meet their course needs.

They are asking for \$200,000 in reallocation funds.

Fiscal Health Summary. The School of Liberal Arts has been moving increasingly towards non-tenure track faculty in order to balance their budget. Their assessment to appropriations deficit has increased by an average of \$700,000 per year over the last five years. In the past year, this deficit has increased by \$1.8 million. Fortunately, they had an operating surplus of almost \$900,000 in 2002-2003 to mitigate the deficit in the current year.

“Power of Two” fiscal implications. The focus of Liberal Arts in the “Power of Two” strategy is to allow credit hours to increase naturally. Over seven years this would provide growth in credit hours produced of approximately 31% (35,000 credit hours). They plan to increase retention from about 60% to hopefully 72%. They also plan to provide additional incentives for faculty to apply for grants through RSP by providing bonuses for grant applications.

Commitment to Excellence. There was no specific discussion of commitment to excellence grants.

Long-Range Strategies. Their long range plans primarily focus on cost-cutting measures. The first strategy would be to (reluctantly) engage in course redesign, perhaps limiting the need for faculty (by using larger sections of courses). They might also limit internal grants for research and summer research money. As a last result, with great reluctance, they might delay necessary replacement of faculty for up to four years.

Summary Assessment. Liberal Arts is making the best of a very difficult situation. Their share of the state budget process has taken a toll on them, but they have been able to survive temporarily by using existing fund balance reserves. Their long term position is more worrisome.

University Library

Learning initiatives: Librarians are engaged in all of the major teaching and learning initiatives including the Gateway Initiative, the Electronic Portfolio Project, the development of the critical inquiry courses, and a variety of retention efforts. In 2002/03 librarians conducted 93 instruction session in non-learning community classes. This is up from 66 sessions in 2001/02.

Library usage: There is a 14.9% increase in circulations in 2002/03 from 2001/02. Use of electronic resources continued to grow. From 2001/02 to 2002/03 the use of the EBSCO databases (general academic and business indexes with full-text of many journal articles) grew 31.7%. In the same period the number of searches on CSA indexes (a collection of disciplinary abstracts and indexes) grew 10.1%. The use of JSTOR (a collection of electronic scholarly journals) grew 71.4% in 2002/03. The library survived the Rowecom debacle without significant damage to its collections.

Quality of Library usage and student satisfaction: The gate count for the library increased from 1,046,533 in 2001/02 to 1,451,301 in 2002/03. Library users' satisfaction with the library as measured by the library's annual survey was roughly steady from previous years. The number of users mentioning a "like" declined slightly, the number mentioning a "dislike" was up slightly. Satisfaction with today's visit declined slightly (from 99% to 97%) and dissatisfaction with today's visit increase slightly (from 1% to 3%). General satisfaction with the library increased slightly (from 76% to 78%). It may be that the increase use of the library resulted in the decline in the quality of the experience for some users.

Reference usage: Reference transactions declined from 52,536 in 2001/02 to 47,254 in 2002/03. This is consistent with reported national trends that show reference transactions declining in most academic libraries.

New developments: These include purchasing and deploying hardware and software that will allow for the development of both text and graphic digital collections.

Fiscal Health. Budgetary problem: The library is faced with continued high rates of inflation for scholarly journals, and as a result the purchasing power of its budget is declining. The library cannot afford to renew these subscriptions at the current higher prices. In addition to the journal inflation, issues affecting the University library budget are Rowecom/ divine situation, pay-for printing (photocopies). The Dean prepared different budget scenarios from very bad to the best case with different numerical projections.

The University Library finished the 2002/03 fiscal year with a \$25,000 surplus. That resulted the library in having a fund balance of a little over \$165,000 or about 2% of the budget. The 2003/04 budget allocation included \$300,000 in new student tuition funding, which will be used for the materials budget. The IUPUI campus made a commitment over three years of \$1 million from new student tuition funds for library materials. \$350,000 of this will come in the 2004/05 fiscal year and \$350,000 will come in the 2005/06 fiscal year. This funding will allow the School of Science and the School of Engineer and Technology to maintain their purchasing power (they will not have to cut journals) through this time period. The funds to support other schools should exceed the rate of inflation and allow for increase purchasing. This campus commitment will provide the library to enhance is collections through this period and makes a major contribution to the fiscal health of the library.

At the beginning of the 2003/04 fiscal year the library hoped to charge for printing at the beginning of the fall semester and to recoup about \$50,000 of printing costs for the fiscal year. It was felt that if the implementation of pay-for-printing is delayed further, income will fall below projections and will negatively affect the library's bottom line. The library managed to expand and replace computer equipment. Compensation levels were at the university mandated levels. Over the past several years the library has not filled several positions when they felt vacant and this trend is likely to continue. To some extent positions can be eliminated since operations are becoming more efficient. The library has currently attained 60% of its goal for the campus campaign. The library's fund raising program has been energized over the last several years, which will soon bear fruit. It should be mentioned that most fund raising and grant support is for specific projects and is not replacement for base funds. The library is looking at several revenue opportunities, but it is unlikely that any of these will provide significant income in excess of costs.

In summary, since the \$1 million in new student tuition dollars that are scheduled to be dedicated to the library materials budget, the largest fiscal challenge to the library has been met for the next several years. In the future, it will continue to be a challenge to provide technology funding and to keep staff salaries at appropriate levels. However these are problems that confront all of the campus and the library's problems in these areas are not unique. The planning assumptions presented the library by FPAC are very difficult and if these assumptions or any thing like them do occur, the library has little choice but to cut staff to some extent and to reduce the materials budget either in buying power or, in the worst cases, in actual dollars.

Major planning initiatives to further the mission and goals of the unit: In 2003/04 the University Library, along with the Medical Library, proposes to purchase portal/federate search engine software. This software will allow searching across multiple databases. Moreover, it will provide a variety of customizable features that users can use to create alerting services and other literature searching strategies. The portal facilities should also allow the library to making linking from OnCourse to purchased library resources possible. The funds to support this project will come from a combination of base and foundation dollars. In late 2002/03 the University Library, with the Medical Library, purchased hardware on which to deploy DSpace. DSpace is open source software developed at MIT that creates a repository which will provide the capacity for academic units to make accessible and preserve digital content. It can also serve as the platform for a variety of digital library projects.

Major planning initiatives to further the campus mission and priorities: The library has begun an effort to raise a campus awareness of the current crisis in scholarly communication and to begin a

campus conversation about it. The aim is to get faculty to understand the impacts of the decisions they make about where and how they publish their research and to expose them to the alternatives that are becoming available. In the long run, it is only through changing the nature of scholarly communication and reducing the monopoly power of commercial journal publishers that the library will be able to escape outrageous price increases it now faces for journals. The University Library is actively pursuing funds and conducting planning to enhance and expand public computing facilities in the library.

Reallocation funds: The library received no reallocation funding in 2002/03.

Library and Information Sciences

The School of Library and Information Sciences (SLIS) is the smallest academic unit at IUPUI, with only 3 tenure-track faculty members. SLIS is a “campus wide” school run out of Bloomington. It is noteworthy that while enrollment for the Spring semester 2004 included 290 Master’s degree candidates at IUB and 267 at IUPUI, the faculty count is 15 at IUB, and 6 at IUPUI (including lecturers and visiting). Most of the courses at IUPUI are taught by adjuncts. The SLIS Associate Dean who appeared at the hearing even admitted that the two campuses do not recruit faculty from the same pool, with IUPUI looking mostly for teaching experience. The normal teaching load for SLIS faculty at IUB is 2-2, and it is 3-3 at IUPUI. It does appear that the SLIS leadership is content to perpetuate the “second class” status of IUPUI in its discipline within the IU network. This may be in line with the “mission differentiation for the IU campuses” now being talked about by President Herbert.

Fiscal Health. In 2003-04, the SLIS at IUPUI had a balanced budget of approximately \$1.35 million.

Financial Planning. Addressing the budget shortfall projected in the “no growth” spreadsheet provided to SLIS will be very challenging. They will need a 3% increase in enrollment each year over the next decade. However, since in-State enrollment growth is likely to be low, at least two thirds of this growth must come from out-of-State. Additionally, they would need to increase tuition by at least 2% each year and gradually decrease the support for graduate assistants down to nothing by the end of the decade. Whether it is reasonable to expect increasing enrollments (mostly from out-of-State) in the face of increasing tuition and decreasing assistantships is anyone’s conjecture at this time.

“Power of Two” Fiscal Implications. For starters, SLIS would need to more than double the number of tenure-track faculty to 9 by 2008. The average number of credits completed per student each semester will need to double from 4 in 2000 to 8 in 2008 in order to generate the necessary increase in credits annually.

Commitment to Excellence Funding. N/A

Summary Assessment. At some point, the BAC will have to take a position on whether the proliferation of small schools at IUPUI is a positive or a negative. It may be that the Library and Information Sciences discipline at IUPUI would be better served if it was made part of a larger IUPUI-centered unit such as Communication or Education.

Medicine

The Indiana University School of Medicine (IUSOM) is the nation's second largest medical school, with approximately 1,128 medical students, 1,032 residents and fellows, 343 masters/doctoral level students and 1,221 full time faculty. Guided by the IUSOM 2000 Strategic Plan, the IUSOM has developed a competency-based curriculum that includes qualitative measures of behavior that lead to recognition of the IUSOM as educational innovators. This new curriculum is part of a conscious effort on the part of the IUSOM to increase civility and change the culture of the School. The 2000 Strategic Plan also resulted in the decision to increase the IUSOM's national ranking among National Institutes of Health grant recipients, and to become 10th among the 71 US public medical schools and 20th among all 126 US medical schools. To meet this goal it will be necessary for the IUSOM to double the amount of research activity, leading to a need for approximately 400 additional researchers and significantly increased research space.

The IUSOM total budget for the 2003-2004 FY is approximately \$670 million derived as follows: Contracts and Grants 20%, Gifts 2%, Clinical Income 52%, State appropriation 12%, Tuition and Fees 5% and User Fees 9%.

Fiscal Health Summary. IUSOM is increasingly dependent on clinical fees and indirect cost dollars to support the ongoing activities of the School. These same funds are required to provide investment in the effort to double research activity. With essentially flat lined state income, the IUSOM has no way to meet increased assessments for utility costs, health insurance etc.

“Power of Two” Fiscal Implications. IUSOM estimates that it will require approximately \$500,000 to hire and provide start up funding to bring each new faculty researcher (approximately 400) into the School. Without significant new revenue, the effort to double research will compete with the necessity to utilize clinical income and current indirect cost dollars to meet the ongoing educational mission of the IUSOM.

Commitment to Excellence. Not applicable

Long Range Strategies. IUSOM continues to discuss consolidation, centralization or elimination of administrative services wherever possible. Potential but undesirable steps to curtail expenses might include closure of one or more centers for medical education and/or reduction in civic engagement activities. Because 65% of IUSOM budget is in compensation, significant cost reductions would require elimination of faculty positions and thus programs.

Summary Assessment. IUSOM is commended for its lofty goals and ambitions and the significant progress made in the restructuring of medical education. However, there appears to be little strategy in the plan and, given the current condition of state finances and the increasing commitment of the IUSOM's funds from clinical services and indirect cost dollars to supporting the IUSOM mission, finding the funds to invest in the doubling of research effort to meet the IUSOM's goal of becoming one of the top 10 of US public medical schools is likely to be problematic.

Music

David Peters, Director for the IU School of Music at IUPUI, reported that the fiscal health of the SOM is good, the required reserve account is in order, growth in music students enrollments was 9% in 2002 with FY 2003 enrollments to exceed projections. He outlined several new funding sources beyond increased enrollments, including new institutes and industry training seminars, new research initiatives, enhanced development and fundraising initiatives, and expanded activities for increased revenues.

Fiscal Health Summary. Fiscal health appears good. Total fund balance for 2002-2003 was \$172,000.

“Power of Two” Fiscal Implications. The unit forecasts continued growth in enrollments at a 5% per year level based on new programs to stimulate that growth. Other income sources are being developed but are not certain (grants, gifts, endowments, contracts). The School listed six initiatives, in priority order, for 2004-2014, with developing new degree programs to extend music technology education and research study from the BS to the PhD level as top priority.

Commitment to Excellence Funding . Not applicable.

Long Term Strategies. Very proactive and practical approach in looking at steps beyond growth in student enrollment as sources of new funds. Increased on campus and online curricular offerings to stimulate enrollments.

Nursing

The Indiana University School of Nursing (IUSON) is one of the nation’s top-ranked schools and the major producer of the nursing workforce in Indiana. The IUSON has a very large masters program as well as doctoral and post-doctoral education. The priorities of IUSON are: 1) recruit and retain faculty who will sustain the School’s mission of providing superior and innovative teaching, health behavior research that guides best practices, and leadership in community health; 2) develop excellent honors options in the undergraduate program which will propel students on the path to PhD education and a research/faculty career; 3) increase the use of innovative technology in clinical teaching; 4) double funding for research; 5) continue to create opportunities for interdisciplinary teaching and research; 6) strategically increase admissions to the master’s and PhD programs; 7) develop diversity in the student body and in faculty so that it more accurately reflects the population we serve and 8) increase space for research and instruction.

IUSON is currently operating within the planned budget. However, there is an ever growing concern with the decreasing state appropriation and the increasing cost of providing nursing education. The credit hour rate has consistently increased (24,563 hours in 2002-3 vs. 19,217 in 98-99) yet the number of faculty has decreased. There is very intense competition to recruit and retain faculty

Fiscal Health Summary. IUSON remains fiscally healthy. However, there is continued concern with the costs of providing nursing education, research and faculty retention. Within the next 10

years, 43 faculty members are eligible to retire. Additionally, there is a growing space issue for research as well as for instruction

“Power of Two” Fiscal Implications. IUSON is a very stable producer of graduates in all areas. In order to continue to increase in this area, there will need to be a continued discussion regarding differentiated tuition for undergraduate instruction as well as space considerations. Without some consideration of the financial implications of cost/income, there will need to be discussions regarding decreasing instead of increasing the undergraduate program

Commitment to Excellence Funding: Impact on Unit. (Not Applicable)

Long Range Steps Toward Addressing Budget Shortfalls, etc. IUSON continues to look positively at the budget issues; however, previously discussed concerns will continue to impact this School. IUSON offers premier academic programs and is ranked 18th nationally in terms of NIH/extramural funding (13th for schools of nursing in public universities). The School is clearly a part of the solution to the national nursing shortage.

Physical Education and Tourism Management

The School reports a 15.3% increase in enrollment including international students and a 20.8% increase in credit hour production in the last two years. The School also reports an increase in student retention rate. In 2003 the School graduated the largest class in their history. These increases were experienced by both the physical education and tourism components of the School. They have hired faculty with external funding and hope to develop an enhanced research component.

Fiscal Health Summary: The School is in good financial shape with their continued increase in numbers of students and credit hours. They are developing relationships with businesses in the community to help them continue the growth of their programs.

“Power of Two” fiscal implications: The School plans to continue efforts in enhancing enrollment particularly by expanding their commitment to e-learning. The e-learning curriculum, a significant part of the tourism area, will be extended to include more of the physical education courses. As a part of Civic Engagement, the School places students in internships in the community and is taking steps to increase this effort. On campus, the School expects to be more heavily involved in wellness and in providing increased recreational opportunities for students living on campus. In terms of doubling research, the School hopes to increase research activities by building on the strengths of new faculty.

Commitment to Excellence: Evaluations of their programs have been good they continue with their long term goal of offering meaningful programs that prepare students for jobs. E-learning has been expanded and now includes exercise physiology courses. They have applied to be a certificate program for the athletic trainer major.

Long range steps: The School has a number of long term goals including recruiting and retaining a diverse student body. In fact, their number of international students continues to grow. Their faculty is 25% tenure track minority. The goal is to increase research monies from the current \$10-20,000.

Overall Assessment. The School of Physical Education and Tourism Management continues to be healthy financially with their increase in numbers of students, and credit hours. They have reviewed their programs, made adjustments, looked to the community for partnerships, have realistic long term goals.

Planning, Evaluation and Institutional Improvement (PEII)

The mission of the Office of Planning, Evaluation and institutional improvement is to “develop, integrate and continuously improve institutional planning, implementation strategies, and evaluation and improvement activities at IUPUI.” Five major goals and objectives focus on meeting the needs of the university, faculty, individual academic units and students. Specifically goals and objectives are to 1) Clarify, prioritize, and communicate broadly IUPUI’s vision, mission and goals; 2) Enable all academic and administrative unit to develop mission, vision and goals statements aligned with those of the campus; 3) Provide leadership, consultation and resources to support the evaluation of campus and unit goals and implementation strategies; 4) Derive key indicators of institutional effectiveness and provide periodic reports to internal and external constituents. 5) Derive, prioritize, recommend, and assist in implementing improvements based on evaluative findings. Services provided include collaboration with faculty, point of service evaluations, project evaluations, and resources for evaluative data including performance indicator evidence needed by all levels of administration and faculty. The Department has created a culture of evidence by defining assessable outcomes, utilizing instrumentation, tracking data analysis and application of findings for institutional improvement.

Budget. Operating budget for PEII is approximately \$1,870,891 and comes primarily from assessments against various schools and some external funding from individual schools and/or faculty grants. Approximately 16% of the annual budget comes from research and faculty grants.

Fiscal Health Summary. The unit is in a cost saving mode and is addressing problems of lack of funds to provide salary increases. Plans are to increase revenue possibly through external grants and salary savings hiring graduate students and work-study students. Consideration of streamlining services is a problem when demand for accountability is greater.

“Power of Two” fiscal implications. Programs and services offered to faculty are costly. Teaching and learning will provide assistance to campus colleagues particularly to the doubling task forces, in establishing goals and objectives, planning for assessment progress, collecting and analyzing data, and presenting finding in formats that facilitate decision-making and program improvement. Trend data regarding PIs will be provided including access to IMIR web site in the institutional portfolio. Plans are address to assist students and support of the Transfer Task Force to develop plans to increase the number of students who transfer to IUPUI and persist to graduation. Research, Scholarship and creative activity are addresses. The unit continue to bring in grants and contracts and seek new ones to add to the capacity of the office support assessment of progress toward the campus mission. Continuation of IUPUI portfolio process is mentioned.

Long Range Strategies. Past funds were used to develop the electronic institutional portfolio as part of the Urban Universities Portfolio Project. The web based format was used to produce the IUPUI self study for North Central Association of Colleges and Schools. Plans are to explore creative means of maintaining the “Culture of Evidence. Improvement includes reporting to internal

constituents, demonstrating accountability to stakeholders, proposing improvement initiatives based on assessment findings and improving methods using Web-based data and electronic portfolios. Steps to streamline processes to meet challenges of decreasing funds continues to be addressed.

Overall Assessment. The Unit is made up of five areas that provides leadership for planning, evaluation and improvement at the campus level for individual units. Major initiatives also include 1) Web-based institutional portfolio is an efficient mechanism for continuous reporting to stakeholders concerning progress toward mission-related goals 2) data collection to enable faculty, staff and students to determine strengths of IUPUI in teaching and learning, research and scholarship, and civic engagement. Overall, there is evidence of thoughtful, strategic planning and systematic review of the realities of budget shortfalls.

Public and Environmental Affairs (SPEA)

The Dean of SPEA demonstrated clear-eyed understanding of their situation and spoke frankly about it. To sum it up, SPEA is currently losing money and needs to make adjustments at the program and curriculum level, and even at the mission level, to ensure long-term viability. With faculty consultation and involvement as an understood part of the process, and informed always by a calculated assessment of external and internal opportunities and the “market” for its services, SPEA leadership appears willing and able to make those adjustments.

Fiscal Health Summary. As SPEA clearly understands, the challenges it faces over the next few years are considerable. Estimating 1.75% annual increases in university assessments, SPEA calculates that it will experience approximately an \$81,000 deficit in 2004-05, growing to an estimated \$921,000 deficit in 2013-14. Although calculations that far in advance are, at best, speculations, they do provide planners the chance to devise best- and/or worst-case scenarios and to plot the most reasonable road forward, generally steering somewhere between them. SPEA appears to be doing just that.

“Power of Two” Implications. SPEA has outlined four possible remedies to its anticipated fiscal problems. Some of these also address the goals of “doubling” campus accomplishment, It seems simplest to describe them together.

1. Annually increasing graduate student fees 3% above standard university rates.
2. Increasing enrollments in certain degree programs, specifically in the Master’s in Health Administration and Bachelor’s of Science in Public Health. SPEA hopes to increase headcount in both its MHA and BSPH programs to 100 students each. Projected rates of increase are 5 (five) students each in the first two years, then 10 (ten) students each in the next four years, with constant enrollments thereafter. SPEA anticipates a more enrollment increase through the creation of new online courses, planning one online graduate course in years 1, 2, 4, 6, and 8, resulting at the end of the planning decade in 5 (five) new courses with approximately 30 students each, half of which will be out-of-state students. Further, SPEA sees the opportunities in the creation of various certificate programs (curricular packages that offer career-enhancing knowledge, skills and methodologies) to supplement or even introduce students to degree programs.
3. Increase research contracts and grants, and to broaden the base of research support, which currently rests too heavily on one source, the Lilly Endowment, and one office, SPEA’s

Center for Urban Policy and Environment. Further, SPEA sees the opportunity and need to actively increase its research funding collaborations with other schools on IUPUI's campus. Given SPEA's existing investment in health administration, the School reasonably believes greater opportunities await in this direction. Developing more solid bridges to various health and life-sciences programs will open the door for SPEA to possibly attract funding from larger national sources such as NSF, NIH and CDC. SPEA also sees expanding opportunities in the area of criminal justice research that might attract NIJ (National Institute of Justice) funding. The School targets an external funding increase of \$500,000 in 2004-5, with incremental increases through year 6 (six) of the next decade, achieving a \$1 million increase in that year that remains constant until the end of the decade.

4. Reducing costs can be achieved largely through natural attrition of full-time faculty. SPEA also understands the cost reductions possible through greater reliance on adjunct or part-time faculty, but senses equally the inherent danger to academic excellence. SPEA believes such decisions are best reached through a process of faculty consultation to determine whether the School is best positioned to either "play to its strengths" or to strengthen its weaknesses.

Summary Assessment. To shed more light on the issues mentioned above, SPEA has begun to explore several questions and themes that may be crucial to understanding its best path forward. In the broadest sense, where do its students come from? Where do its programs and offerings obviously or subtly overlap, complement or compete with the offerings of other schools? How can these be turned to SPEA's advantage? In an era that would seem to be primed for a great expansion of career opportunities in healthcare administration of one sort or another, why hasn't SPEA been more successful in attracting students to its MHA program? All of which is to suggest, as SPEA leadership did, that the School is in a "period of transition" and "in search of a center of gravity."

The search for this center of gravity is the crux of SPEA's challenge. In a state that has traditionally been reluctant to engage in or, at best, disinterested in planning and methodical public policy initiatives, SPEA has evolved its mission in two, sometimes parallel, sometimes diverging themes: Criminal justice and public health, with all corollary and auxiliary sub-themes and opportunities. Thanks to the "CSI Syndrome," i.e. the popularity and glamour of forensic and policing vocations, as well as the current national focus on security issues, the School has a great opportunity to grow its enrollment and research in this direction. Thanks to the aging population and rapidly advancing life-sciences technologies, as well as widespread commitment to growing this segment of the state's economy, SPEA could plausibly direct its development and curricular energies toward this theme. Can the School do both? Or will it be forced to ultimately choose one over the other? Or is there a middle road that somehow combines both? It is clear that SPEA sees the full spectrum of this challenge and appears to be advancing in both directions with a sensible combination of caution and entrepreneurship, anticipating that sooner or later the wisdom of one direction over another, and the potential of one to "double" sooner than the other, will become clear.

Research and Graduate Education (RGE)

RGE has two primary units. Research and Sponsored Programs handles proposal submission to external funding agencies, including assuring compliance with institutional and agency requirements. A related function is in providing administrative support for internal review of human subjects research (IRBs) and research involving recombinant DNA. R&SP also has the mission of identifying

funding opportunities and assisting with development of competitive proposals. The Graduate Office has roles related to graduate student recruitment and admission, and various matters related to the administrative procedures of the University Graduate School. RGE has been historically under resourced and its ability to adequately discharge its responsibilities is under increasing threat from a combination of factors, including 1) increasing numbers of proposal submissions; 2) increasingly complex compliance requirements of federal and other agencies, especially related to human subjects research; 3) unfunded mandates from other units impacting the Graduate Office.

Fiscal Health Summary. RGE is largely supported by State and University funds (86%), Past adjustments to the budget have largely been as a result of changes in the support provided by the State, or by reallocation of campus funds. Campus Research Activity has grown over 120% in the last ten years, but the RGE staff has not grown proportionally. A near crisis in the handling of corporate contracts has been averted by the infusion of State Research Incentive Fund monies, and by support from the School of Medicine, resulting in vastly improved handling of these proposals over the past year. (The decision was made at IUPUI to use the Research Incentive Funds to bolster infrastructure, including a new position in sponsored program administration.) Some additional revenue may be gained by adjustment of the fees charged to external entities for IRB reviews. R&SP does not have the resources necessary to properly handle its current workload. Staff are underpaid compared to comparable positions in other units on campus and at IUB, making hiring and retention difficult. The Graduate Office handles applications from prospective students for graduate programs, but receives no percentage of the application fees. The small budget for the Graduate Office is unable to accommodate unfunded mandates without a negative impact on other activities.

“Power of Two” Fiscal Implications. RGE will not be able to handle the additional workload required to double research funding without additional staff. The office is in danger of becoming a significant impediment to fulfilling this goal unless major changes are made soon. The same is true in the area of Graduate Education. It is unrealistic to expect that the number and quality of graduate students in the programs on campus can be increased without additional resources for the Graduate Office, and for fellowship support.

Long-Range Strategies. The funding formula for RGE needs to reflect the workload for the office. Possible mechanisms include indexing to indirect cost revenues. Electronic proposal routing and transmission as well as proposed electronic imaging for graduate application materials may limit the rate of cost increases, but it does not seem likely these steps will provide significant savings. The Graduate Office is looking for ways to partner with other administrative units on campus. The Graduate Office also has had some success with summer research programs as a tool to recruit students for graduate programs.

Overall Assessment. The budget formula for RGE must be changed to reflect the real costs of the services it provides if there is not to be a significant negative impact on the missions of research and graduate education campus wide.

Science

The School of Science has made a steady progress in all academic fronts, such as curriculum, education and research. External funding has increased dramatically over the past 10 years. The numbers of majors have increased. There is an improved satisfaction of students, the undergraduate

research is at a high level and good synergy exists between teaching and learning and research. Campaign funding is at 81% of goal and expected to reach 100%. The number of gifts increased by 61% - 72% of the way toward campaign goal, the number of meetings with corporate and civic groups has increased, and the number of donors increased by 36%. Five major multidisciplinary research directions have emerged and have been supported by the SOS: psychobiology of addictions, earth and environmental science, computer and information science and technology, regenerative biology and medicine, and materials science. There is a significant enhancement of collaborations in key campus areas of computer and information science and life science. Moreover, active collaborations have been established with the Institute for Biocomplexity at IUB.

It is felt that part of the problem of Science has is the higher costs of delivering science curricula, including undergraduate curricula, relative to Liberal Arts. Market value dictates that one should pay higher starting salaries for faculty and to TAs, RAs, Fellows and certain types of staff, as well as provide expensive start-up packages to new faculty (up to \$200,000 currently). Other costs include common research equipment, supplies and equipment for instructional laboratories, deionized water, laboratory space renovations, and subsidy for animal facilities and care. While the Technology Fee provides some assistance with instructional equipment, the cost of supplies is not adequately covered by the current laboratory fees. There is no recognition of these cost differentials in state appropriation or credit hour fees. The School has not been allowed to charge special fees to cover these higher costs, as is done by a number of professional schools. For these reasons, the School had to reduce the number of tenure-track faculty to generate cash, while simultaneously relying more on ICR to make up the difference. This is definitely a downhill slope that will only get steeper.

The School of Science has one of the largest teaching loads on the campus due to the significant number of service courses provided for the entire campus. With a well recognized mission of science education it is surprising that the School has provided conflicting data concerning its strategic approach to academic growth and development. The web based campus report had negative responses (“None”) to significant questions related to new initiatives and the use of campus reallocation funds with respect to the School and campus mission and priorities. On the other hand two separate reports from the School list a set of specific academic and research program priorities, but these too are conflicting, i.e., two different, but overlapping lists. Overall it is difficult to evaluate the direction of the School as well as to determine the adequacy of the self appraisal from the documents provided by the School.

Fiscal Health Summary: The fiscal health of the School of Science is becoming more and more dependent on ICR and salary savings. After all fixed expenses are paid, the remaining flexible dollars to run the every-day activities of the departments and to act on new initiatives are composed of 75% ICR plus salary savings and 25% general fund, a change of 25% from last year. ICR is 33% and salary savings is 42%. The salary savings have been generated by not filling positions vacated by retirements. In addition to financing departmental operations, the salary savings are being used to make up the difference between the actual salary and benefits costs of new lecturers and the amount appropriated by the Trustees for the lecturers initiative. The School is using the tenure track faculty positions to hire lecturers. The School of Science has reached the point where the campus “tax” now exceeds their base budget. While not a good model, the School has been able to accumulate over \$5.1 million in fund balances. This is an increase of over \$1.0 million from last year.

“Power of Two” Implications. Not addressed by the School reports.

Commitment to Excellence Funding: Not addressed by the School reports.

Long Range Strategies: The School has invested \$645,000 in several research center initiatives in the past 10 years. In the same period the School has invested \$385,000 in academic and curricular development and \$500,000 in scholarships. While outlining a number of new (and conflicting) academic and research areas for future development, the School presents no plan for any of these initiatives.

Overall Assessment: The School of Science while not pleased with the inverted appropriations/tax ratio has done remarkably well fiscally with the accumulation of a large end of year balance. One is concerned about the strategic investments (or lack of such) allowed by this surplus versus the cost to the primary academic infrastructure and its impact on the quality of its academic mission. Lacking evidence of planning for the School's resources it falls upon senior administration to determine the effectiveness of the School's current planning process and its ability to cope with future needs and demands.

Social Work

The School of Social Work at IUPUI operates under a joint budget with IUB. They believe that they are fiscally lean and have eliminated two associate dean positions and one secretarial position. Faculty (research and non-research) average teaching five courses per year and they currently graduate approximately six students per faculty member. Presumably, this works out to approximately four courses per year for research faculty and six courses per year for non-research faculty.

Social Work estimates that there will be little change in overall credit hours generated by the School, though graduate credit hours appear to be decreasing and undergraduate credit hours seem to be increasing. They expect that faculty compensation (93% of their budgetary expenses) will remain fairly flat, though they are planning on increasing faculty by about 10%. This is likely achieved through the elimination of the administrative positions described above.

In order to improve scholarship, Social Work has implemented two incentive plans for faculty. If a faculty member applies for a grant through RSP, they receive a \$5,000 bonus. In addition, faculty can buy out of a course for \$10,000.

Fiscal Health Summary. Social Work currently has an excess of state appropriations over assessments of approximately \$830,000. This is down from an excess of about \$1,000,000 the previous year. Currently, Social Work estimates that they will manage to break even during 2003-2004 by cutting General S&E expenses approximately 74% to 86,772 (from the actual expenditures in 2002-2003 of \$335,811). Their fiscal health depends critically upon their ability to achieve this cut while maintaining their current credit hours.

“Power of Two” Implications. Social Work plans to increase efficiency and double their size by attracting current IUPUI students to their major. The question was raised in the hearing whether this would be possible given the current employment opportunities for graduates of the program. The answer is unclear at this point. The increase in scholarship will hopefully result from the two

incentive plans discussed above. I expect that in the long run they will be successful in improving both research productivity and grants received.

Commitment to Excellence. No *Commitment to Excellence* funds were identified or discussed.

Long-Range Strategies. The School of Social Work faces several long range exposures. Currently, their graduates face job competition from unqualified and non-certified applicants. The state of Indiana lags other states in requiring certification of Social Workers. If that changes, it could drastically improve the marketability of their graduates and, therefore, their programs. The School did not clearly identify how they planned to deal with their budget threats over the long term. This problem could be exacerbated if they lose ground on state appropriations or if their assessments are increased.

Summary Assessment. The current fiscal situation for the School of Social Work depends upon their ability to keep their General S&E costs down as predicted, while providing the budgeted credit hours. They are heavily subsidized by other units on campus to the extent that their state appropriations heavily exceed their assessments. This is not the case for most units on campus. For example, Liberal Arts currently has a deficit of \$2.6 Million of assessments over state appropriations that they must cover with tuition money. As a result, Liberal Arts must generate approximately 650 credit hours per FTE. Social Work only generates approximately 270 credit hours per FTE (estimated).

While we believe that they have been taking steps to increase productivity and scholarship, we do not think that they have experienced the same degree of budgetary pressure that other units have experienced, due to this cross-subsidization.

Student Life and Diversity

The Division of Student Life and Diversity (SLD) provides a wide range of student-centered programs, services, and events affecting students, faculty, staff, alumni, and the community. SLD has reengineered itself since 1999, setting its future agenda with the release of its strategic plan in the fall of 2002. Still at the introductory level, some of the major goals, objectives, and initiatives of SLD that align with campus planning themes are: promoting and enhancing an inclusive and accessible community that embraces diversity; fostering campus spirit through promotion of campus traditions; strengthening existing and creating new community partnerships; and creating new facilities, including new student housing and a new Campus Center. SLD is a small program for a campus of 30,000. At the same time, faculty, staff, and students are increasingly utilizing SLD services and citing these services as important to the campus. To cite just a few examples: the number of students registered with Adaptive Educational Services has grown from 550 a few years ago to 1300 now; and in March, 2004, Counseling and Psychological Services saw 627 clients, compared to 511 clients in March, 2003.

Revenue for the diverse units within SLD comes from a range of sources: Adaptive Educational Services is funded primary from Revenue Assessments, with some supplemental funding from state and federal agencies for reimbursement for services provided to students with disabilities; Counseling and Psychological Services (CAPS) is funded completely from Revenue Assessments; Housing and Residence Life is an auxiliary enterprise that is funded from the rents students pay;

Campus and Community Life is funded by Revenue Assessments and Student Activity Fee revenue; the Campus Center (to open 2006) will be a fiscally self-sufficient auxiliary enterprise, with revenue from the Student Activity Fee and rental fees; the Dean of Students Office and the Vice Chancellor's Office are funded completely from Revenue Assessments.

Fiscal Health Summary. The Division sustains its internal units and programs by attempting to develop a variety of revenue sources in addition to revenue from assessments. Nevertheless, should the ten-year assumptions of flat funding from Revenue Assessments become actual policy, SLD would need to prioritize among its services. The internal units that would be most adversely affected are those that are most dependent on Revenue Assessments: Adaptive Educational Services; Counseling and Psychological Services; Dean of Students Office; and the Vice Chancellor for Student Life and Diversity Office. Of special note: federally mandated services for students with disabilities will consume staff and other resources if the number of registered students continues to increase and if SLD cannot find additional ways to fund some of the needed services. Moreover, the campus will lose Perkins grant funding for federal compliance if AA degrees are no longer awarded. Other mandates set by the campus rather than external agencies also require additional services. For example, the new campus housing may raise expectations for additional services, including drug and alcohol counseling (currently at a bare bones level), mental health counseling, and more campus events.

“Power of Two” Fiscal Implications. SLD does not award degrees but otherwise expects to contribute to the campus efforts to double diversity, teaching/learning, civic engagement, and research. SLD intends to contribute to doubling through its extensive partnerships with every school and University College as well as partnerships and program coordination with other administrative areas. SLD has several joint appointments with University College and various administrative areas, thus pooling funds to provide services. John Jones, Assistant Dean of Students, is chairing an external affairs committee to pursue grants that began in January; Kevin Rome, Assistant Vice Chancellor for Student Life and Diversity, is leading a major donor drive through the IU Foundation. These two efforts are intended to help with diversifying the SLD revenue portfolio.

Long Range Strategies. SLD is attempting to be entrepreneurial and develop a variety of revenue sources in addition to revenue from assessments. Adaptive Educational Services is continuing to pursue grants and contracts. Counseling and Psychological Services along with Student Health Services is currently going through a program review by the Office of Planning and Institutional Improvement; it is anticipated that the delivery of health services will be reengineered as a result. SLD plans to pursue grant revenue to enhance programs in Housing and Residence Life. Campus and Community Life will increase private philanthropic efforts in conjunction with the opening of the Campus Center. The Dean of Students Office intends to become more engaged in grant-making activities. The Office of the Vice Chancellor for SLD will not replace an administrator who is retiring this year, and will reinvest the savings across the program.

Summary Assessment. The Division of Student Life and Diversity will need to cultivate additional revenue streams to meet the increased demand for services such as mental health counseling and diversity initiatives. To their credit, SLD is being proactive and entrepreneurial in identifying fiscal challenges and potential areas to develop revenue sources. Many of the plans are at the conceptual stage or just beginning. However, it is unrealistic to think that funding for all of the campus priorities for doubling student-centered services can be provided through the efforts of SLD alone. The Division is already small and lean.

University College

University College presented a 68 page report! It was very detailed and reported a large number of different projects some of which appeared to address similar goals. Summarizing this document is not possible. UC is a unique responsibility center. They have NO faculty, only staff, teach practically no courses, and have no students. They have extremely limited direct revenue and largely are supported by state appropriation and significant external funding, much of which is one time cash. On the other hand, they present significant evidence that UC plays a vital role in the success of the undergraduate program at IUPUI. Gains the campus has made in retention, graduation, recruitment and excellence in student learning are directly related to the activities UC supports and coordinates. UC has also made an extensive effort at assessment of their programs and helped provide much of the data which supports the growth of IUPUI as a whole.

Fiscal Health Summary. On paper UC is in acceptable fiscal health. Trustees' 1% funding has replaced the grant from Lilly to support beginning students. UC continues to pursue outside funding. The career center has been made independent of campus funding. This unit is probably overextended but just finished a 2 year review process. The Honors program and Honors house also need additional funding but none is being requested.

“Power of Two” Implications. UC can stake claim to credit for much of the success of IUPUI in recent years in the area of undergraduate education. Most of the actual work towards the doubling goals will occur within the units which compose UC but UC will provide the organization, direction and assessment. UC is also heavily invested in community service through extensive support of service learning.

Commitment to Excellence Funding. No list was provided, however UC participated with various units in a number of funded programs from the dedicated tuition funding.

Long Range Strategies. First priority is student support and intervention within their first year at IUPUI. To accomplish this UC plans to continue and expand current activities, particularly in the area of student advising. This work will continue as a joint effort between UC and the academic units it serves. Other initiatives include further development of the honors program and the career center. In addition to current sources of funding some increases in student fees are planned including: student orientation fee; academic support fee, and a larger share of the student technology fee. Another source of funding is from instituting fees for services in the Career center.

Summary Assessment. UC is doing an amazing job with a vast array of initiatives given the level of funding available. Services of this unit are critical to IUPUI attainment of the Chancellor's “Power of Two” challenge. It is somewhat questionable whether UC can sustain this level of activity, let alone increase activities, with the current levels of support. Heavy dependence upon outside funding for essential long term activities is risky. UC needs to develop an overview of its functions and look at duplication of efforts and more importantly priorities. They plan on providing detailed reports to all units who participate in UC activities so that units can track and understand relationships of student assessment data over time. Concentrating on partnerships where the other partner bears more of the responsibility is one way UC can accomplish the end result with less direct investment

of people, time and money. UC should be very cautious about entering new arenas or initiatives until it has done a careful analysis of the overall picture and its current continuing commitments.

University Information Technology Services (UITS)

UITS provides a very wide array of services to the IU System, including IUPUI, ranging from telephone services, computer networks, online learning technology (Oncourse), and E-mail, to classroom technology and IT training.

Fiscal Health. UITS is an administrative unit and its revenues come from assessments and fees (e.g., telephone rates) charged to other units. Since it can easily scale its operations to match its revenues, it is always in a position to balance its budget.

Financial Planning. Under the “no growth” budget scenario, UITS expects to be able to preserve the same level of spending for the next two years as funding for the IT Strategic Plan has been specifically allocated by the University Administration from technology-designated State funding. After that, UITS may need to re-prioritize its activities, by slowing growth or even making cuts in some areas to be determined later in order to balance its budget.

“Power of Two” Fiscal Implications. Since most of UITS activities are scalable, doubling the level of services is not a problem. In fact, since most technologies used by UITS show increasing returns to scale, it should be able to double the level of services it provides with a less than doubling of the costs.

Commitment to Excellence Funding. N/A

Summary Assessment. The central issue with regards to the UITS budget is: how good a level of services does IUPUI want them to deliver? UITS is able and willing to deliver Cadillac service for Cadillac prices, or Volkswagen service for Volkswagen prices. Everyone wants the best, but at a time when academic units are straining under the burden of assessments that in some cases exceed total State funding, and may be forced to make painful cuts to balance their budgets, can we afford to pay for the best?