



INDIANA COMMISSION *for* HIGHER EDUCATION

AGENDA

Thursday, March 14, 2024

101 West Ohio Street, Suite 300
Indianapolis, IN 46204-4206

www.che.in.gov

AGENDA

Indiana Commission for Higher Education Meeting

Thursday, March 14, 2024
Call to Order – 9:00 A.M. ET

Indiana State University
The State Room at Tiery Hall
220 N. 7th Street
Terre Haute, Indiana 47809

Join on your computer or mobile app:

[Join Microsoft Teams Meeting](#)

-or-

Join on your phone (audio only):

DIAL: +1 317-552-1674

PHONE ID: 235 584 267#

I.	Call to Order	
	Roll Call and Determination of Quorum	
	Chair’s Report	
	Commissioner’s Report	
II.	Consideration of the Meeting Minutes	1
III.	Communications and Marketing	
	A. 2024 Qualitative and Quantitative Research into Factors Impacting Postsecondary Enrollment in Indiana.....	9
IV.	Legislative Update	
	A. 2024 Legislative Update.....	10
V.	Budget Items	
	A. 2025-2027 Budget Development.....	11
	B. Commission Bylaws.....	12
	C. Capital Projects for Full Discussion*	13
	1. Purdue University – Mitchell E. Daniels, Jr. School of Business Building	
	2. Purdue University – Fort Wayne Music Center Addition	
	3. Purdue University – Burke Boilermaker Aquatic Center Mechanical Project	
	4. Purdue University – Lux on Capitol Lease	
	5. Purdue University – Third and West Lease	
	6. Ball State University – Village Development - Performing Arts Center	

7.	Ball State University – Village Development - Hotel Ground Lease	
8.	Ball State University - Village Development - Center for Innovation	
D.	Capital Projects for Expedited Action*	72
1.	Purdue University – Graduate House Parking Garage Demolition and Site Restoration	
2.	Indiana State University – Early Childhood Education Center	
3.	Ball State University – Site Land Purchase	
VI.	Career and Technical Education (CTE)	
A.	CTE: Perkins State Plan Update*	95
VII.	Frank O’Bannon Schedule of Awards	
A.	Frank O’Bannon Schedule of Awards*	99
VIII.	Academic Affairs	
A.	Updating the Commission’s Policies on Regional Campuses and Purdue University Fort Wayne*	100
B.	Academic Degree Programs for Expedited Action*	109
1.	Bachelor of Fine Arts in Art to be offered by the University of Southern Indiana	
2.	Master of Social Work to be offered by Purdue University Northwest	
IX.	Information Items	
A.	Academic Degree Programs Awaiting Action	112
B.	Academic Degree Program Actions Taken by Staff	113
C.	Media Coverage	115
X.	Old Business	
	New Business	
XI.	Adjournment	

The next meeting of the Commission will be on **May 09, 2024, in Evansville, Indiana.**

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Thursday, January 11, 2024

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:00 a.m. ET at Ivy Tech Community Automotive Technology Center, 4751 Century Plaza, Indianapolis, Indiana 46254.

ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Mike Alley, Dennis Bland, Anne Bowen, Jud Fisher, Bill Hanna, Nancy Jordan, Chris LaMothe, Dr. Chad Lochmiller, Pepper Mulherin, Dan Peterson, Tom Saunders

Members Absent: Al Hubbard, Erika Steuterman

CHAIR'S REPORT

As we look ahead, I believe that 2024 holds tremendous promise for the state of higher education in Indiana. More than ever before, systems in the state of Indiana are aligning: early childhood, K-12, workforce, and post-secondary systems are speaking the same language and working together. While there's always more work to be done, I am encouraged by what I see. I am also struck by the spirit of entrepreneurship and innovation that I see as I travel the state and meet with college and university presidents. Indiana is a state that was built on entrepreneurship and innovation—and this spirit is alive and well. Earlier this week, I had the chance to introduce Major General Lyles of the Indiana National Guard to Ball State and Anderson University personnel who are building out incredible cybersecurity programs that are placing students in cutting-edge cybersecurity jobs right here in Indiana.

Finally, I am encouraged by the ways that I see universities (both public and private) across the state embracing the communities in which they are located. Lilly Endowment recently awarded its first round of "College and Community Collaboration" grants totaling \$145M. And many universities—I suspect—will engage in the READI 2.0 process with their regions in collaboration with the Indiana Economic Development Corporation. Universities and colleges across the state are building literal—and figurative—connections with their home communities.

All of this is a win for higher education and a win for Indiana. I'm proud to be a member of the Commission and look forward to the year ahead.

I will now turn it over to Dr. Stacy Atkinson, Chancellor of Ivy Tech-Indianapolis, to address the group.

Dr. Stacy Atkinson, Chancellor of Ivy Tech-Indianapolis, addresses the group.

Thank you, Dr. Atkinson. I will turn it over to Commissioner Lowery for his report.

COMMISSIONER'S REPORT

Commissioner Lowery thanked all Commission members and welcomed Dr. Atkinson.

Commissioner Lowery reported on the following topics:

Philanthropic Support to Higher Education

Overview

1. This year CHE saw a significant increase in philanthropic support.
 - a. Funders approached the agency, proving a **trust** in the agency to carry out this crucial work.
 - b. In 2023, CHE received over **\$2,000,000** in philanthropic funding.
2. Many philanthropic organizations have **stepped up** in different ways to support the work being done:
 - a. Thought leadership; invitation to submit proposals; grant funding.

Strada Education Foundation

1. Repurposed 2020 grant originally provided to the GWC.
2. CHE entered an MOU with GWC to repurpose **\$375K** for the development of a statewide **Credit for Prior Learning** strategy. DWD will use their remaining \$375K to refresh the Indiana IN Demand Flames methodology.
3. Currently partnering with Tomas P. Miller and Associates to manage the statewide listening tour, policy development, and documentation.

Richard M. Fairbanks Foundation

1. **\$363K grant**
2. Driving college enrollment and FAFSA filing in Marion County youth.
3. CHE is hosting two county-wide convenings (one completed this fall, second later this month), hiring second Marion County Outreach Coordinator, expanding Padres Estrellas in Marion County.

Lilly Endowment Inc.

1. **\$1M grant**
2. 1 year grant ends August 31, 2024.
3. CHE issued RFP to hire a 3rd party research group to study the causes of college enrollment decline in Indiana to inform future CHE policies, programs, and procedures to reverse the trend.
 - i. Research structure will include interviews, focus groups, and surveys on the value of higher education.

National Governors Association

1. **\$150K demonstration project subgrant**
2. The grant is intended to provide support to the piloting of the **Indiana Achievement Wallet**, a digital wallet designed to assist with skill-based hiring.
3. The pilot includes Ivy Tech and Purdue Global.
4. Partners: various state agencies, WGU, Credential Engine, Parchment, and IQ4.

Reach University

1. **\$200K grant**
2. Newest grant
3. Further development and pilot of Indiana's digital wallet (**Indiana Achievement Wallet**) for credentials, with a focus on veterans and cybersecurity.
4. Through SHEEO, the pilot will inform other states of the work Indiana is doing.
5. Generous support from Walmart distributed through Reach University.

Strategic Management Process

HOPE Agenda Strategy and Plan Summary 2024

1. Vision
 - i. Indiana will be a top 10 state in the nation by 2030 in (a) measurable distinction in economic and social mobility and prosperity outcomes, and (b) as the recognized state for growing or starting a business, based upon the strength of human capital.
2. Strategic Objectives
 - i. Going Rate: Youth & Adults
 - ii. Attainment: Veterans, Individuals with Disabilities, & Justice-Involved
 - iii. Credit for Prior Learning
 - iv. Completion
 - v. Graduate Retention
3. Strategic Initiatives
 - i. 21st Century Scholars; Outcomes-Based Performance Funding (OBPF); Indiana College Core; Indiana Pre-Admissions; FAFSA; Career & Technical Education (CTE); Career Discovery Meetings; Career Scholarship Accounts (CSAs); State Financial Aid; Transfer Single Articulation Pathways (TSAPs); e-Transcript; Career Coaching and Navigation
 1. Responsible Commission Staff: Dr. Michelle Ashcraft, Senior Associate Commissioner and Chief of Programs and Seth Hinshaw, Senior Associate Commissioner and Chief Financial Officer
 2. Current Metrics: Youth (31st), Adult (21st)
 - ii. FAFSA; Second Change Pell; Workforce Ready Grant; Career and Technical Education; Collegiate Purple Star
 1. Responsible Commission Staff: Josh Garrison, Senior Associate Commissioner and Chief of Staff and Dr. Ken Sauer, Senior Associate Commissioner and Chief Academic Officer

2. Current Metrics: Veterans (47th), Disabilities (45th), Justice (43rd)
- iii. AP Credit; IB Credit; CLEP Credit; Core Transfer Library; Indiana Credential Registry; Learning and Employment Records (LERs); CPL Clearinghouse 2.0
 1. Responsible Commission Staff: Dr. Ken Sauer, Senior Associate Commissioner and Chief Academic Officer and Josh Garrison, Senior Associate Commissioner and Chief of Staff
 2. Current Metrics: 7 states with CPL strategy; become the 8th.
- iv. CTE; CSAs; Crossing the Finish Line; TSAPs; Academic Performance Incentive Grants; Credential Completion Grants; e-Transcript; FAFSA; State Financial Aid; Career Discovery Meetings; Indiana Credential Registry; OBPF; College Success Grants; Teach Dual Credit Indiana (TDCI); STEM Teach; State Authorization Reciprocity Agreements; Board for Proprietary Education
 1. Responsible Commission Staff: Dr. Michelle Ashcraft, Senior Associate Commissioner and Chief of Programs and Josh Garrison, Senior Associate Commissioner and Chief of Staff
 2. Current Metrics: 13th (6-year graduation rate) from fall 2016 cohort
- v. OBPF; Degree Program Reviews; Graduate Medical Education Board; LERs; Reciprocity; STEM Teach; TDCI; Next Generation Hoosier Educators Scholarships; EARN Indiana
 1. Responsible Commission Staff: Seth Hinshaw, Senior Associate Commissioner and Chief Financial Officer and Dr. Ken Sauer, Senior Associate Commissioner and Chief Academic Officer
 2. Current Metrics: 36th (age 25-35 w/associate degree or higher)
4. HOPE Agenda Strategic Planning Timeline
 - i. January 1, 2024—December 31, 2030

HOPE Goal Projections

2024 HOPE Goal Dashboard – Summary and Timeline

1. The Commission’s Business Intelligence Team will launch a **public, interactive** HOPE Agenda dashboard by **September 2024** as the first step in measuring existing and future HOPE goal progress.
 - a. This will lay the foundation for the Commission’s work to proactively identify changes to strategy or adjustments in execution.
 - i. The initial launch will include HOPE Goals 1-5.

2024 HOPE Goal Levers and Forecasting

1. The Commission’s Business Intelligence Team will commence 3 internal research projects during the 2024 calendar year focused on:
 - a. Understanding key financial aid program levers/indicators influencing college going rates,
 - b. Designing a proactive educational attainment forecasting model, and
 - c. Understanding key levers/indicators impacting talent retention in Indiana.

2024 Legislative Priorities

Higher Education Priorities

1. SB 8 – Education Matters
2. Author: Senator Leising
3. Governor’s and CHE Agenda Bill
4. SB 8 has four provisions focusing on college affordability, acceleration, and postsecondary attainment.
 - i. **1) Accelerate Learning** – Indiana College Core Requirement
 - ii. **2) Accelerate Learning** – Offer More 3-Year Bachelor’s Degree Options
 - iii. **3) Accelerate Attainment** – Optimize Indiana’s ‘reverse transfer’ process
 - iv. **4) Accelerate Attainment** – Examine the Feasibility and Advisability of 4-Year Campuses Offering Associate Degrees

Indiana College Core

1. The Indiana College Core is a key lever to increase Indiana’s college-going rate.
2. 90% of Indiana College Core earners go to college (statewide average 53%) and experience higher rates of college success.
3. However, only 44% of high schools offer the Indiana College Core.
4. **Solution:** SB 8 will require high schools to offer the Indiana College Core by the 2025-26 academic year or submit an implementation plan to CHE by September 1, 2025, and each subsequent year until the Indiana College Core is offered.

Expanding Degree-in-3 Options

1. Students save money by **graduating early**.
2. Some high school students consider time – four or more years – as a **detering variable** when evaluating the value proposition of a bachelor’s degree.
3. **Purdue University—West Lafayette** offers over 50 bachelor’s degrees in a 3-year accelerated schedule (‘Degree in 3’).
4. However, Degree-in-3 options are **not widely** available at 4-year public institutions.
5. **Solution:** SB 8 requires 4-year public institutions to annually review all bachelor’s degrees to determine the **feasibility** of offering them in a 3-year format. Starting July 1, 2025, institutions **must offer** at least one Degree-in-3 program.

“Reverse Transfer” Associate Degrees

1. **Reverse Transfer** is a process whereby eligible students are awarded an associate degree who transferred from Ivy Tech Community College or Vincennes University to a 4-year institution.
2. This is a current practice but is **underutilized**.
3. An estimated **7,000 students** are eligible for a reverse transfer associate degree and an additional **1,000** students become eligible each year.

4. **Solution:** SB 8 optimizes the Reverse Transfer process by establishing a statewide program under CHE to automatically identify and notify former community college students who subsequently enrolled at a 4-year institution and meet the criteria for an associate degree.

Exploring Associate Degrees at 4-Year Institutions

1. College completion continues to improve at all institution types with Indiana's statewide extended completion rate being 67% in 2021.
 - i. Seven 4-year campuses have extended time graduation rates **below 50%**.
2. 670,000 working-age adult Hoosiers have been to college but do not have a degree.
3. There is growing consensus that Indiana must carefully consider a paradigm shift from the traditional approach of **"All or Nothing"** to **"All or Something"** for students.
4. Students are leaving an **associate degree** on the table as they pursue their bachelor's degree.
5. **Solution:** SB 8 requires CHE and all 4-year campuses to study the advisability and feasibility of developing associate degrees for certain current and former students.

II. CONSIDERATION OF THE MEETING MINUTES

R-24-1.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the January 2024 regular meeting. (Motion – Mike Alley, second – Chris LaMothe, unanimously approved)

III. FAFSA UPDATE FROM INVESTED

A. Supporting Hoosier Students: The New FAFSA, & Financial Aid

Bill Wozniak (INvestEd) presented this item.

IV. BUDGET ITEMS

A. Capital Projects for Full Discussion*

Mary Jane Michalak (Ivy Tech) presented this item. Seth Hinshaw provided the staff recommendations.

R-24-1.2 RESOLVED: That the Commission for Higher Education hereby approves the Ivy Tech Community College – Fort Wayne Campus Restructure (Motion – Alley, second – LaMothe, approved)

Tom Morrison (Indiana University) presented this item. Seth Hinshaw provided the staff recommendations.

R-24-1.3 RESOLVED: That the Commission for Higher Education hereby approves the

Indiana University Bloomington – Research Laboratory Renovation (Motion – Peterson, second – Bland, unanimously approved)

Aaron Trump (University of Southern Indiana) presented this item. Seth Hinshaw provided the staff recommendations.

R-24-1.4 RESOLVED: That the Commission for Higher Education hereby approves the University of Southern Indiana – Academic Renovation Phase 1 (Motion – Alley, second – Mulherin, unanimously approved)

B. Capital Projects for Expedited Action*

R-24-1.5 RESOLVED: That the Commission for Higher Education hereby approves the Indiana University School of Medicine – Fesler Hall Renovation. (Motion – LaMothe, second – Hanna, approved)

V. LEGISLATIVE UPDATE

A. 2024 Legislative Update

Josh Garrison presented this item.

VI. ACADEMIC AFFAIRS

A. Indiana’s Membership in the State Authorization Reciprocity Agreement (SARA)

Dr. Ken Sauer and Ross Miller presented this item.

B. Academic Degree Programs for Expedited Action*

R-24-1.6 RESOLVED: That the Commission for Higher Education hereby approves the Master of Science in Artificial Intelligence to be offered by Purdue University West Lafayette. (Motion – Peterson, second – Mulherin, unanimously approved)

R-24-1.7 RESOLVED: That the Commission for Higher Education hereby approves the Master of Business and Technology to be offered by Purdue University West Lafayette. (Motion – Hanna, second – LaMothe, unanimously approved)

VII. PROGRAMS

A. College Matters: A Richard M. Fairbanks Foundation Initiative

Claire Fiddian-Green and Kami Nielson (Fairbanks) presented this item.

VIII. INFORMATION ITEMS

A. Academic Degree Programs Awaiting Action

- B. Academic Degree Program Actions Taken by Staff
- C. Media Coverage
- D. Student Success and Completion Committee Newsletter

IX. OLD BUSINESS
NEW BUSINESS
There was none.

X. ADJOURNMENT
The meeting was adjourned at 2:35 P.M. ET

Jud Fisher, Chair

Anne Bowen, Secretary

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

**COMMUNICATIONS
& MARKETING ITEM A:**

Higher Education in Indiana: Perceptions and Realities

Background

The decision to pursue education and training after high school is deeply personal and often impacted by internal and external factors such as cost, negative commentary in the media, questioning the value of postsecondary education, family obligations, lack of childcare, stress, and uncertainty about the future.

The Commission applied for and received a \$1 million grant to select a research firm to conduct robust qualitative and quantitative research into factors impacting postsecondary enrollment in Indiana. Findings will be segmented and thoroughly analyzed by race and ethnicity, gender, and socioeconomic status. Results from the research will complement and inform the development of the Commission’s strategic objectives and initiatives around policy, communications, and resource allocation.

After the RFP proposal review process, the Commission has selected Heart+Mind Strategies to conduct this research. Associate Commissioner for Marketing & Communications Allison Kuehr will share insight into research that has already been conducted, and provide an overview of the upcoming stages of research, an anticipated timeline, and an overview of Heart+Mind Strategies.

Supporting Documents

To be distributed.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

BUSINESS ITEM A:

2024 Legislative Session Recap

Background

The public policy team will provide a recap of the 2024 legislative session. The team will discuss the Commission’s new charges and the implementation plans for the upcoming year.

Supporting Document

To be distributed.

COMMISSION FOR HIGHER EDUCATION

Thursday, Marcy 14, 2024

BUDGET ITEM A:

2025-2027 Budget Development

Background

IC 21-18-6-1 empowers the Commission to review appropriation requests of state educational institutions and to make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education. Under this authority, the Commission develops a wholistic budget recommendation concerning higher education including the outcomes-based performance funding formula, capital, line items, and financial aid.

The Commission’s Chief Financial Officer will present a summary of the budget development process including each major component of the state’s existing allocation for higher education as well as a timeline of the development cycle.

Supporting Document

To be distributed.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

BUDGET ITEM B:

Commission Bylaws

Background

The Commission’s bylaws, last adopted on June 10, 2021, outline the governance structure of the Commission in addition to the parameters set by Indiana Code.

The Commission’s Chief Financial Officer will present a proposed change to Article VIII: Budget and Expenditures.

Supporting Document

To be distributed.

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-1:

Purdue University – Mitchell E. Daniels, Jr. School of Business Building

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University – Daniels School of Business Building

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

PU – Mitchell E. Daniels Jr. School of Business

Purdue University – Mitchell E. Daniels, Jr. School of Business Building

Thursday, March 14, 2024

B-1-24-1-16 Purdue University – Daniels School of Business Building

The Purdue University Board of Trustees requests authorization to proceed with the construction of a new 164,000 gross square foot Mitchell E. Daniels, Jr. School of Business Building on the West Lafayette campus. This project will include flexible space, modern teaching and research labs for financial trading, data visualization, behavioral research, and experiential learning. This project will accommodate significant student enrollment growth while also supporting the advancement of several strategic initiatives of the school. This project also includes the demolition of the Krannert Center for Excellence Education and Research and the Wesley Foundation, as well as the renovation of the first floor of the adjacent Krannert Building.

Funding: The estimated cost of this project is \$168,000,000 and will be funded fully through gift funds.

Additional Staff Notes: Staff recommends approval of the project.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Mitchell E. Daniels, Jr. School of Business Building on the West Lafayette campus.

A new, approximately 164,000 gross square foot facility with flexible instructional space, modern research labs and large-format instructional and conference spaces for the Daniels School of Business will be constructed. Renovations to a portion of the existing, adjacent Krannert Building will be completed to allow integration between the facilities. Additional neighborhood investments will be included as part of this project. The nearby Krannert Center for Executive Education and Research and the Wesley Foundation properties will be demolished to accommodate the new school of business building.

This project will accommodate significant student enrollment growth in the Daniels School of Business, while also supporting the advancement of several strategic initiatives of the school. The project's scope and location align with the school's master plan, the 2018 Giant Leaps campus master plan and associated planning efforts, including the classroom master plan.

The estimated total project cost is \$168,000,000 and will be funded entirely by Gift Funds.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms that the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Ruhl', written over a horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY
 Mitchell E. Daniels, Jr. School of Business Building

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-16
Campus:	West Lafayette	Institutional Priority:	N/A
Previously approved by General Assembly:	No	Previously recommended by CHE:	No
Part of the Institution's Long-term Capital Plan:	Yes		

Project Size:	164,000	104,025	ASF (2)	0.63	ASF/GSF
Net change in overall campus space:		132,586	GSF	85,368	ASF

Total cost of the project (3):	\$ 168,000,000	Cost per ASF/GSF:	\$ 1,024.39	GSF
Total cost of the demolition:	\$ -		\$ 1,615.00	ASF
Funding Source(s) for project (4):	Amount	Type		
	\$ 168,000,000	Gift Funds		
Estimated annual debt payment (6):	\$0			
Are all funds for the project secured:	Yes			

Project Funding:
 The project is being fully funded by Gift Funds, and all funds are secured.

Project Cost Justification
 This project's scope and cost are described more in the Capital Project Details section

Estimated annual change in cost of building operations based on the project:	\$ 780,259
Estimated annual repair and rehabilitation investment (5):	\$ 2,520,000

(1) Gross Square Feet (GSF)- Sum of all area within the exterior envelope of the structure.
 (2) Assignable Square Feet (ASF)- Amount of space that can be used by people or programs within the interior walls of a structure. Assignable square feet is the sum of the 10 major assignable space use categories: classrooms, laboratories, offices, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified facilities. For information on assignable space use categories, see Space-Room Codes tab.
 (3) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
 (4) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
 (5) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost
 (6) If issuing debt, determine annual payment based on 20 years at 4.75% interest rate
 - If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION
Mitchell E. Daniels, Jr. School of Business Building

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-16
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will construct a new, approximately 164,000 gross square foot building for the Mitchell E. Daniels, Jr. School of Business, including new flexible space in support of academic instruction and conferences, near the intersection of Mitch Daniels Boulevard and Sheetz Street on the West Lafayette campus. The facility will provide modern teaching and research labs for financial trading, data visualization, behavioral research and experiential learning. The first floor of the adjacent Krannert Building will be renovated. The nearby Krannert Center for Executive Education and Research (constructed in 1983) and the Wesley Foundation (operated since 1917) facilities will be demolished as part of this project.

Need and Purpose of the Program

The new building will be located adjacent to the existing Rawls Hall and the Krannert Building, which currently support the Mitchell E. Daniels, Jr. School of Business programs. The programs that were hosted in the to-be-demolished Krannert Center for Executive Education and Research will be transferred to the new facility, to be located in its place. The building will accommodate significant recent and further planned student enrollment growth and strategic initiatives in the reimagined Mitchell E. Daniels, Jr. School of Business. For fall 2024, undergraduate applications were up 18% compared to fall 2023, and undergraduate enrollment is expected to be 4,000 students - up more than 1,600 students (approximately 66%) from five years ago. Graduate programs are expected to nearly double in size to 2,000 students by 2030, compared to fall 2021 enrollment.

The Daniels School of Business will create the next generation of students ready to lead or found companies; provide enhanced and new transformative learning experiences such as leadership immersion trips, case competitions, research projects, corporate consulting, career coaching and mentoring, scholarly projects and internships; and will build upon Purdue's mission as a land-grant university to make education more affordable and accessible. It is comprised of the Bruce White Undergraduate Institute and the Krannert Graduate Institute. The Bruce White Undergraduate Institute will provide students greatly enhanced experiential learning opportunities, revised curricula to stay at the cutting edge of business education and an enhanced understanding of the role of business in society. The Krannert Graduate Institute allows students to learn in residential, online or hybrid settings to further their careers through analytical and problem-solving skills.

The undergraduate program is ranked #21 in the U.S. News & Work Report, up nine spots from the previous survey. It is ranked #18 by the Princeton Review/Entrepreneur magazine survey of top undergraduate business programs for entrepreneurs and has been named a "2023 undergraduate program to watch" by Poets & Quants. The graduate program has a top-ranked Business Analytics and Information Management master's program.

The scope and location of this project align with the Mitchell E. Daniels, Jr. School of Business master plan and the 2018 Giant Leaps campus master plan.

Space Utilization

The proposed Daniels School of Business Building will total 104,000 ASF and will provide almost 35,000 ASF in classroom space and 11,000 ASF in teaching lab space for use by the Daniels School of Business. The building will also bring significant student study space (17,000 ASF) to the east entry of campus. The building will feature other types of spaces for student engagement, student facing services like career and advising, entrepreneurship and corporate engagement.

Comparable Projects

Dudley Hall and Lambertus Hall (2019)

- o \$140,000,000
- o 250,000 GSF
- o \$560/GSF
- o New construction that included instructional laboratories, classrooms and collaborative spaces for interdisciplinary opportunities
- o The Daniels School of Business building is approximately 85,000 GSF smaller than Dudley Hall and Lambertus Hall, but differences in scope and inflation contribute to the higher costs. Included in the Daniels School of Business building project cost are the land acquisition of the Wesley Foundation property, renovations in the Krannert Building, costly steel structure classrooms and long utility extensions.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Mitchell E. Daniels, Jr. School of Business Building

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Subtotal Current and Future Space	Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)		Space to be Terminated (1)	New Space in Capital Request (2)	
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	335,609	(2,758)	18,527	351,378	-	34,886	386,264
Class Lab (210,215,220,225,230,235)	771,426	(13,338)	21,135	779,223	(134)	10,932	790,021
Non-class Lab (250 & 255)	1,727,892	21,700	2,919	1,752,511	(182)	1,142	1,753,471
Office Facilities (300)	2,328,446	(50,874)	31,218	2,308,790	(7,734)	21,309	2,322,365
Study Facilities (400)	462,834	57,092	12,110	532,036	(1,901)	16,951	547,086
Special Use Facilities (500)	1,206,771	12,103	(2,789)	1,216,085	-	-	1,216,085
General Use Facilities (600)	972,034	(25,884)	15,229	961,379	(8,021)	18,475	971,833
Support Facilities (700)	2,843,307	(1,344)	(59,170)	2,782,793	(686)	330	2,782,437
Health Care Facilities (800)	218,188	-	(1,900)	216,288	-	-	216,288
Resident Facilities (900)	2,419,333	-	111,146	2,530,479	-	-	2,530,479
Unclassified (000)	129,942	-	-	129,942	-	-	129,942
B. OTHER FACILITIES (Please list major categories)							
TOTAL SPACE	13,415,782	(3,303)	148,425	13,560,904	(18,658)	104,025	13,646,271

Notes:

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

- Schleman/Stewart Renovation
- Whistler Mechanical Project
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab
- Brown Family Hall Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations
- Life Sciences Phenotyping Greenhouse Building
- PMU 2nd Floor Hospitality Renovation
- Mechanical Engineering Building Renovation

Space planned and funded includes:

- Nursing and Pharmacy Education Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- Birk Nanotechnology Center Clean Room Modernization and Related Renovations
- Chilled Water Capacity Enhancement Projects
- Runway 5-23 and Intermediate Connector Taxiway
- Purdue Airport Terminal
- Grant Street Parking Garage Repairs
- Hillenbrand Residence Hall South
- Shealy Hall Roof Replacement
- Shreve Hall Electrical Enhancements and Replacement
- University and Schleman Halls Strategic Transformer Replacement
- Wetherill Lab Drain and Supply Line Replacement Phase I
- Wesley Foundation Property Purchase & Sale
- Chi Omega Sorority Property Purchase & Ground Lease
- Burke Boilermaker Aquatic Center Mechanical Project
- Graduate House Parking Garage Demolition and Site Restoration

(1) Spaces to be terminated include the Krannert Center for Executive Education and Research bldg. All programs will be transferred to the new facility, to be located in its place.

(2) Space added as part of this project include classroom space, teaching lab space, student engagement and study spaces.

CAPITAL PROJECT COST DETAILS
Mitchell E. Daniels, Jr. School of Business Building

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-16
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	May	2024
Start Construction	July	2024
Occupancy (End Date)	August	2027

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering	\$ 5,800,000		N/A
b. Architectural	\$ 7,080,000		N/A
c. Consulting	\$ 870,000		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 89,300,000		N/A
b. Mechanical	\$ 27,000,000		N/A
c. Electrical	\$ 18,950,000		N/A
<u>Movable Equipment</u>	\$ 4,300,000		N/A
<u>Fixed Equipment</u>	\$ 1,500,000		N/A
<u>Site Development/Land Acquisition</u>	\$ 7,700,000		N/A
<u>Other (PM fee, occupant relocations, material testing)</u>	\$ 5,500,000		N/A
TOTAL ESTIMATED PROJECT COST	\$ 168,000,000	\$ -	N/A

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
Mitchell E. Daniels, Jr. School of Business Building

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-16
Campus:	West Lafayette	Institutional Priority:	N/A

					GSF OF AREA AFFECTED BY PROJECT	164,000
ANNUAL OPERATING COST/SAVINGS (1)						
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses		
1. Operations	N/A	\$ 455,427	\$ 469,403	\$ (13,976)		
2. Maintenance	N/A	\$ 155,584	\$ 89,461	\$ 66,123		
3. Fuel	N/A	\$ -	\$ -	\$ -		
4. Utilities	N/A	\$ 169,248	\$ -	\$ 169,248		
5. Other	N/A	\$ -	\$ -	\$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	N/A	\$ 780,259	\$ 558,864	\$ 221,395		

Description of any unusual factors affecting operating and maintenance costs/savings.

The new building will add approximately \$1,008,000 per year in operations, maintenance and utility costs. The university will be demolishing the Krannert Center Building, which will result in a cost reduction of approximately \$228,000 per year. The net new annual operating costs are approximately \$780,000. Cost per GSF is not calculated above due to the demolition of the Krannert Center Building. For the new Daniels School of Business building, expected costs per GSF are: Operations \$3.54/GSF; Maintenance \$1.11/GSF; and Utilities \$1.50/GSF. This is comparable to the Wilmeth Active Learning Center building constructed in 2014.

(1) Based on figures from "Individual Cap Proj Desc" schedule

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-2:

Purdue University – Fort Wayne Music Center Addition

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University – Fort Wayne Music Center Addition

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

PU – Music Center Addition

Purdue University – Fort Wayne Music Addition

Thursday, March 14, 2024

B-3-24-2-18 Purdue University – Fort Wayne Music Addition

The Purdue University of Trustees requests authorization to proceed with the construction of a new, approximately 26,000 gross square feet addition to the existing Music Center on the Fort Wayne campus. The existing 8,200 GSF Music Center is operating at maximum capacity. This project will accommodate recent and expected enrollment growth following the 2026 expiration of a lease agreement with Sweetwater Sound. It will provide state-of-the-art music space and technologies including rehearsal room, recording studios and control rooms, editing suite and a critical listening laboratory.

Funding: The estimated cost of this project is \$22,000,000 and will be funded by \$15,000,000 in capital cash appropriation and \$7,000,000 in gift funds.

Additional Staff Notes: Staff recommends approval of the project.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Music Center Addition on the Fort Wayne campus.

A new, approximately 26,000 gross square foot addition will be constructed on the existing Music Center to accommodate recent and expected continuing enrollment growth in several music programs. The addition will provide state-of-the-art music space and technologies including rehearsal rooms, recording studios and control rooms, editing suites and a critical listening laboratory, among others.

The Music Center and an off campus leased facility are both operating at maximum capacity, and the completion of the addition will consolidate music programming into a single, on-campus location and allow cost avoidances once the leased space is relinquished.

The estimated total project cost is \$22,000,000 with \$15,000,000 provided by Capital Cash Appropriation and \$7,000,000 from Gift Funds.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms that the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Ruhl', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY

Music Center Addition

Institution: <input type="text" value="Purdue University"/>	Budget Agency Project No.: <input type="text" value="B-3-24-2-18"/>
Campus: <input type="text" value="IPFW"/>	Institutional Priority: <input type="text" value="Two"/>
Previously approved by General Assembly: <input type="text" value="No"/>	Previously recommended by CHE: <input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan: <input type="text" value="Yes"/>	

Project Size: <input type="text" value="26,000"/> GSF (1)	<input type="text" value="16,000"/> ASF (2)	<input type="text" value="0.615384615"/> ASF/GSF
Net change in overall campus space:	<input type="text" value="17,875"/> GSF	<input type="text" value="10,323"/> ASF

Total cost of the project (3):	<input type="text" value="\$ 22,000,000"/>	Cost per ASF/GSF:	<input type="text" value="\$846"/> GSF
Total cost of the demolition:	<input type="text" value="\$ -"/>		<input type="text" value="\$1,375"/> ASF
Funding Source(s) for project (4):	Amount	Type	
	<input type="text" value="\$ 15,000,000"/>	<input type="text" value="Capital Cash Appropriation"/>	
	<input type="text" value="\$ 7,000,000"/>	<input type="text" value="Gift Funds"/>	
	<input type="text" value=""/>	<input type="text" value=""/>	
	<input type="text" value=""/>	<input type="text" value=""/>	
Estimated annual debt payment (6):	<input type="text" value="N/A"/>		
Are all funds for the project secured:	<input type="text" value="Yes"/>		

Project Funding:
 The majority of funding is requested from the state, and the remainder will be provided by gift funds. All funds are secured.

Project Cost Justification
 The project scope and cost are similar to the project listed in the comparable project section.

Estimated annual change in cost of building operations based on the project:	<input type="text" value="\$ 617,000"/>
Estimated annual repair and rehabilitation investment (5):	<input type="text" value="\$ 330,000"/>

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

Description of Project

This project will construct an approximately 26,000 GSF addition onto the existing Music Center on the Purdue Fort Wayne campus to accommodate the current programs and their expected future growth. The addition will include large and small rehearsal rooms, several recording studios with control rooms, student editing suites, a critical listening laboratory, a small classroom, and related support spaces.

The addition will accommodate the Popular Music, Music Technology and Music Industry programs, which have seen significant enrollment growth with further increases anticipated in the coming years. The existing Music Center and an 8,200 GSF, supplemental off campus leased facility that currently support the School of Music are operating at maximum capacity. Upon completion of the building addition, programming will be consolidated into a single, on-campus location, and elimination of the lease will result in cost avoidance. Expanded student collaboration will be made possible with this project with students benefiting from new, advanced music technologies that are unavailable at most other universities.

Need and Purpose of the Program

The Purdue University Fort Wayne School of Music opened a remote learning facility on the Sweetwater Sound campus in 2018, and the approximately 8,200 GSF of leased space provided newly remodeled facilities for the school's new degrees in Music Technology, Popular Music and Music Industry. These degree programs enable students to enter the highly technical segment of the entertainment industry, in addition to their knowledge of classical music training.

The initial lease term was six years, ending in November 2023, with three one-year mutual extensions available until November 2026. When completed, the lease will be terminated with programming relocated to the Music Center addition.

School of Music undergraduate enrollment has increased approximately 55% since the remote leased facility opened, requiring more space and amenities than are present in the current location. Two new music minors and an MBA 4+1 program have been added since 2018 when the lease began, and enrollment in these programs has increased from 33 students to 155 students (nearly 500%) as of fall 2023. By fall 2032, enrollment in these programs is expected to nearly double from its current count to 300 students. The leased facility is operating at full capacity and cannot support anticipated future enrollment growth. The building addition will house the growing programs listed above, allow for expanded student collaboration opportunities, leverage existing specialty music spaces, provide state-of-the-art music technology found at few other universities and consolidate programming into a single, on campus location.

This project was listed as the second priority on the 2023-2025 biennial submittal. It also appeared on the 2021-2023 and 2019-2021 biennial submittals.

Space Utilization

When complete, the leased remote learning facility (8,200 GSF/6,640 ASF) will be released. The new facility will include large and small rehearsal rooms (approx. 3,000 ASF); several studios with control rooms (approx. 2,800 ASF); music editing suites (approx. 1,300 ASF); office and classroom space (approx 2,400 ASF); and a critical listening laboratory (approx. 800 ASF). The remainder of the space will include restroom, equipment storage, and circulation/student spaces.

Comparable Projects

Hagle Hall (Bands and Orchestras Building), 2019

- \$22M
- 36,000 GSF / 19,000 ASF
- \$611/GSF; \$1,158/ASF

New Bands and Orchestras facility on the West Lafayette campus that included shared rehearsal spaces, practice and instruction rooms, academic spaces and offices.

Hagle Hall included more square footage than the Music Center Addition, and the completed project was new construction instead of an addition onto an existing building. The addition includes some specialized spaces with higher costs including control rooms, music editing space and a critical listening laboratory. The costs per GSF are similar when accounting for inflation and specialty materials and equipment.

Background Materials

**CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Music Center Addition**

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Subtotal Current and Future Space	Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)		Space to be Terminated (1)	New Space in Capital Request (2)	
<u>A. OVERALL SPACE IN ASF</u>							
Classroom (110 & 115)	88,890	-	-	88,890	(326)	1,712	90,277
Class Lab (210,215,220,225,230,235)	132,508	-	-	132,508	(409)	5,325	137,425
Non-class Lab (250 & 255)	37,769	-	-	37,769	(1,731)	3,971	40,009
Office Facilities (300)	233,284	-	-	233,284		975	234,259
Study Facilities (400)	56,226	-	-	56,226		1,500	57,726
Special Use Facilities (500)	139,547	-	-	139,547	(2,499)	-	137,048
General Use Facilities (600)	146,566	-	-	146,566	(445)	-	146,121
Support Facilities (700)	932,411	-	-	932,411	(268)	342	932,485
Health Care Facilities (800)	4,853	-	-	4,853		-	4,853
Resident Facilities (900)	335,911	-	-	335,911		-	335,911
Unclassified (000)	60,748	-	-	60,748		2,175	62,923
<u>B. OTHER FACILITIES</u> (Please list major categories)				-			-
TOTAL SPACE	2,168,713	-	-	2,168,713	(5,677)	16,000	2,179,036

Notes:

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

N/A

Space planned and funded includes:

N/A

Space to be terminated includes:

- Sweetwater Music Center (lease that will be disposed)

(2) New Space in Capital Request includes general use classrooms, clinical instruction spaces, study spaces, offices and common space.

CAPITAL PROJECT COST DETAILS

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	August	2024
Start Construction	September	2024
Occupancy (End Date)	March	2026

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering	\$ 209,000	.	\$ 209,000
b. Architectural	\$ 1,250,700		\$ 1,250,700
c. Consulting	\$ 509,611		\$ 509,611
<u>Construction</u>			
a. Structure	\$ 11,600,030		\$ 11,600,030
b. Mechanical (HVAC, plumbing, etc.)	\$ 1,729,490		\$ 1,729,490
c. Electrical	\$ 2,907,483		\$ 2,907,483
<u>Movable Equipment</u>	\$ 975,000		\$ 975,000
<u>Fixed Equipment</u>	\$ 250,000		\$ 250,000
<u>Site Development/Land Acquisition</u>	\$ 19,140		\$ 19,140
<u>Other (PM fee, contingencies, insurance, testing)</u>	\$ 2,549,546		\$ 2,549,546
TOTAL ESTIMATED PROJECT COST	\$ 22,000,000	\$ -	\$ 22,000,000

CAPITAL PROJECT OPERATING COST DETAILS

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

GSF OF AREA AFFECTED BY PROJECT 26,000

ANNUAL OPERATING COST/SAVINGS (1)

	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations	\$ 3.94	\$ 102,350	\$ 92,750	\$ 9,600
2. Maintenance	\$ 1.45	\$ 37,650	\$ 23,250	\$ 14,400
3. Fuel	\$ -	\$ -		\$ -
4. Utilities	\$ 6.25	\$ 162,500	\$ -	\$ 162,500
5. Other	\$ 12.10	\$ 314,500	116000	198500
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 23.73	\$ 617,000	\$ 232,000	\$ 385,000

Description of any unusual factors affecting operating and maintenance costs/savings.

Termination of the leased space will result in savings (cost avoidance) of \$230,000/year. The new operating expenses for the addition are typical for this type of facility.

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-3:

**Purdue University – Burke Boilermaker Aquatic Center
Mechanical Project**

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University – Burke Boilermaker Aquatic Center Mechanical Project

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

PU – Burke Boilermaker Aquatic Center Mechanical Project

Purdue University - Burke Boilermaker Aquatic Center Mechanical Project

Thursday, March 14, 2024

B-1-24-4-15 Purdue University – Burke Boilermaker Aquatic Center Mechanical Project

The Purdue University Board of Trustees requests authorization to proceed with the repair and replacement of the mechanical systems in the Burke Boilermaker Aquatic Center on the West Lafayette campus. Existing air handling units and condensers will be replaced, supporting infrastructure and equipment will be installed, including pumps and heat exchangers, and new chilled water piping and temperature controls will be installed. Adjustments will be made to related electrical, mechanical and sprinkler systems. Heating, ventilation, and air conditioning systems will be modernized.

Funding: The estimated cost of this project is \$11,750,000 of which \$8,150,000 will be funded through Auxiliary Funds – Housing/Dining and \$3,600,000 from Auxiliary Funds – Athletics.

Additional Staff Notes: Staff recommends approval of the project.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Burke Boilermaker Aquatic Center Mechanical project on the West Lafayette campus.

Five existing air handling units and condensers that are at end of life will be replaced with new equipment through this project. Supporting infrastructure and equipment will be installed, including pumps and heat exchangers, new chilled water piping and temperature controls. Adjustments will be made to related electrical, mechanical and sprinkler systems.

Heating, ventilation and air conditioning systems will be modernized with improved reliability. Dehumidification will also be improved, and indoor air quality will be enhanced.

The estimated total project cost is \$11,750,000 with \$8,150,000 from Auxiliary Funds - Housing/Dining and \$3,600,000 from Auxiliary Funds - Athletics.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms that the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'CR', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY
Burke Boilermaker Aquatic Center Mechanical Project

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-1-24-4-15</u>
Campus:	<u>West Lafayette</u>	Institutional Priority:	<u>N/A</u>
Previously approved by General Assembly:	<u>No</u>	Previously recommended by CHE:	<u>No</u>
Part of the Institution's Long-term Capital Plan:	<u>Yes</u>		

Project Size:	<u>N/A</u>	<u>N/A</u> ASF (2)	<u>N/A</u> ASF/GSF
Net change in overall campus space:	<u>N/A</u> GSF	<u>N/A</u> ASF	

Total cost of the project (3):	<u>\$ 11,750,000</u>	Cost per ASF/GSF:	<u>N/A</u> GSF
Total cost of the demolition:	<u>\$ -</u>		<u>N/A</u> ASF
Funding Source(s) for project (4):	Amount	Type	
	<u>\$ 8,150,000</u>	<u>Auxiliary Funds - Other</u>	
	<u>\$ 3,600,000</u>	<u>Auxiliary Funds - Athletics</u>	
Estimated annual debt payment (6):	<u>\$0</u>		
Are all funds for the project secured:	<u>Yes</u>		

Project Funding:
The project is being funded by Auxiliary Funds - Other and Auxiliary Funds - Athletics, and all funds are secured.

Project Cost Justification
Since the project is for mechanical systems, there is not a ASF or GSF associated with the work. This project's scope and cost are described more in the Capital Project Details section.

Estimated annual change in cost of building operations based on the project:	<u>\$ -</u>
Estimated annual repair and rehabilitation investment (5):	<u>\$ 176,250</u>

(1) Gross Square Feet (GSF)- Sum of all area within the exterior envelope of the structure.
(2) Assignable Square Feet (ASF)- Amount of space that can be used by people or programs within the interior walls of a structure. Assignable square feet is the sum of the 10 major assignable space use categories: classrooms, laboratories, offices, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified facilities. For information on assignable space use categories, see Space-Room Codes tab.
(3) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
(4) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
(5) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost
(6) If issuing debt, determine annual payment based on 20 years at 4.75% interest rate
- If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION
Burke Boilermaker Aquatic Center Mechanical Project

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-4-15
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will replace five air handling units and condensers with new units served by campus chilled water in the Burke Boilermaker Aquatic Center on the West Lafayette campus. Additionally, new chilled water piping, pumps and heat exchangers and temperature controls will be installed and supporting electrical, mechanical and sprinkler systems will be adjusted. The existing air handlers are past their useful lives and are not meeting the needs of the areas they serve.

Due to age, existing pool water filtration and chemical systems will be upgraded. The existing roof in the area of condenser locations will be replaced.

This project will be completed in three phases:
 Phase I (Dec. 2025-March 2026): Upsize chilled water to building
 Phase II (March-Aug. 2026): Air distribution revisions and work in mechanical room 114
 Phase III (Sept. 2026-April 2027): Revisions in mechanical room 211

Need and Purpose of the Program

The Aquatic Center serves Intercollegiate Athletics and campus Recreation & Wellness programs. Purdue's swimming and diving facilities have hosted numerous meets, including women's NCAA Championships, men's and women's Big Ten Championships and many others since 2003. For the 2023-24 season, the women's swimming and diving team includes 45 members, and the men's swimming and diving team has 37. Purdue divers earned seven medals in synchronized events at the USA Diving Winter Nationals in 2023. The women's team has nearly always placed in the upper-half of the Big Ten Championships since 2002.

This project will improve reliability through the modernization of the building's heating, ventilation and air conditioning systems. The new systems and equipment will improve dehumidification and enhance indoor air quality.

A standalone system is currently in place, and chilled water provision will become campus-based with this project. Existing equipment is original to the building, constructed in 2001. Due to the nature of the facility and chemicals required for the pool, equipment has a shorter life span than it would in a different facility type, such as an academic building. However, the new air handling units that will be installed are expected to last approximately 30 years.

Space Utilization

This project does not have a net impact on total assignable campus space.

Comparable Projects

Whistler Hall of Agricultural Research Mechanical Systems Renovation (2022)

- o \$12,500,000
- o Replaced the steam heating system, installed three new air handling units and replaced 100 individual exhaust fans with a new central manifold system

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Burke Boilermaker Aquatic Center Mechanical Project

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Subtotal Current and Future Space	Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)		Space to be Terminated (1)	New Space in Capital Request (2)	
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	335,609	(2,758)	53,413	386,264	-	-	386,264
Class Lab (210,215,220,225,230,235)	771,426	(13,338)	31,933	790,021	-	-	790,021
Non-class Lab (250 & 255)	1,727,892	21,700	3,879	1,753,471	-	-	1,753,471
Office Facilities (300)	2,328,446	(50,874)	44,793	2,322,365	-	-	2,322,365
Study Facilities (400)	462,834	57,092	27,160	547,086	-	-	547,086
Special Use Facilities (500)	1,206,771	12,103	(2,789)	1,216,085	-	-	1,216,085
General Use Facilities (600)	972,034	(25,884)	25,683	971,833	-	-	971,833
Support Facilities (700)	2,843,307	(1,344)	(59,526)	2,782,437	-	-	2,782,437
Health Care Facilities (800)	218,188	-	(1,900)	216,288	-	-	216,288
Resident Facilities (900)	2,419,333	-	111,146	2,530,479	-	-	2,530,479
Unclassified (000)	129,942	-	-	129,942	-	-	129,942
B. OTHER FACILITIES (Please list major categories)							
TOTAL SPACE	13,415,782	(3,303)	233,792	13,646,271	-	-	13,646,271

Notes:

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

- Schleman/Stewart Renovation
- Whistler Mechanical Project
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab
- Brown Family Hall Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations
- Life Sciences Phenotyping Greenhouse Building
- PMU 2nd Floor Hospitality Renovation
- Mechanical Engineering Building Renovation

Space planned and funded includes:

- Nursing and Pharmacy Education Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- Birk Nanotechnology Center Clean Room Modernization and Related Renovations
- Chilled Water Capacity Enhancement Projects
- Runway 5-23 and Intermediate Connector Taxiway
- Purdue Airport Terminal
- Grant Street Parking Garage Repairs
- Hillenbrand Residence Hall South
- Shealy Hall Roof Replacement
- Shreve Hall Electrical Enhancements and Replacement
- University and Schleman Halls Strategic Transformer Replacement
- Wetherill Lab Drain and Supply Line Replacement Phase I
- Wesley Foundation Property Purchase & Sale
- Chi Omega Sorority Property Purchase & Ground Lease
- Mitchell E. Daniels, Jr. School of Business Building
- Graduate House Parking Garage Demolition and Site Restoration

(1) Spaces to be terminated include general use (recreation) space that will be repurposed as utility space.

(2) There is no assignable space added as part of this project.

CAPITAL PROJECT COST DETAILS
Burke Boilermaker Aquatic Center Mechanical Project

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-4-15
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	August	2024
Start Construction	December	2025
Occupancy (End Date)	June	2027

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
<u>Planning Costs</u>			
a. Engineering	\$ 650,000		N/A
b. Architectural	\$ -		N/A
c. Consulting	\$ -		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 455,000		N/A
b. Mechanical	\$ 8,800,000		N/A
c. Electrical	\$ 455,000		N/A
<u>Movable Equipment</u>	\$ -		N/A
<u>Fixed Equipment</u>	\$ -		N/A
<u>Site Development/Land Acquisition</u>	\$ -		N/A
<u>Other (PM fee, commissioning, contingencies, work orders)</u>	\$ 1,390,000		N/A
TOTAL ESTIMATED PROJECT COST	\$ 11,750,000	\$ -	N/A

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
Burke Boilermaker Aquatic Center Mechanical Project

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-4-15
Campus:	West Lafayette	Institutional Priority:	N/A

<u>ANNUAL OPERATING COST/SAVINGS (1)</u>	<u>GSF OF AREA AFFECTED BY PROJECT</u>			
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations	N/A	\$ -	\$ -	\$ -
2. Maintenance	N/A	\$ -	\$ -	\$ -
3. Fuel	N/A	\$ -	\$ -	\$ -
4. Utilities	N/A	\$ -	\$ -	\$ -
5. Other	N/A	\$ -	\$ -	\$ -
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	N/A	\$ -	\$ -	\$ -

Description of any unusual factors affecting operating and maintenance costs/savings.
 This project will have a negligible impact on operating and maintenance costs/savings.

(1) Based on figures from "Individual Cap Proj Desc" schedule

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-4:

Purdue University – Lux on Capitol Lease

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University – Lux on Capitol Lease

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

PU – Lux on Capitol Lease

Purdue University – Lux on Capitol Lease

Thursday, March 14, 2024

B-1-24-1-16 Purdue University – Lux on Capitol Lease

The Purdue University Board of Trustees requests authorization to proceed with the lease of Lux on Capitol which is located near the Purdue in Indianapolis campus. The twenty-four-month lease will secure 122 apartments that provide 400 beds for students housing during the 2024-25 and 2025-26 academic years.

Funding: The cost of this project is \$9,140,022 and will be funded through auxiliary funds – housing/dining.

Additional Staff Notes: Staff recommends approval of the project.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved a lease for a portion of *Lux on Capitol*, which is located near the new Purdue in Indianapolis campus.

For the 2024-25 and 2025-26 academic years, the university will lease 122 apartments from SSC Indianapolis Apartments LLC d/b/a The Scion Group that include 400 beds for student housing. The total lease commitment for the two academic years is \$9,140,022.

This lease will provide student housing for the 2024-25 and 2025-26 academic years on the Purdue in Indianapolis campus.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Ruhl', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

LEASE TERM SHEET

Lux on Capitol in Indianapolis

Purdue University – Purdue in Indianapolis Campus

Budget Agency Project Number: B-1-24-5-20

Project Summary and Description:

Purdue University proposes to lease a portion of *Lux on Capitol*, a facility near the new Purdue in Indianapolis campus at 501 N. Capitol Avenue in Indianapolis and owned by SSC Indianapolis Apartments LLC d/b/a The Scion Group. Purdue University’s lease commitment will include 122 apartments that provide 400 beds for student housing.

This lease will provide student housing at the Purdue in Indianapolis campus for the 2024-2025 and 2025-2026 academic years.

Lease Parties: SSC Indianapolis Apartments LLC d/b/a The Scion Group (the “Landlord”)
Purdue University (the “Master Tenant”)

Lease Term: 24 months (August 1, 2024 to July 31, 2026)

Total Lease Commitment: \$9,140,022 (Year 1: \$4,503,656; Year 2: \$4,636,366)

Funding Sources of the Project: Auxiliary Funds—Housing/Dining

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-5:

Purdue University – Third and West Lease

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University – Third and West Lease

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

PU – Third and West Lease

Purdue University – Third and West Lease

Thursday, March 14, 2024

B-1-24-5-19 Purdue University – Third and West Lease

The Purdue University Board of Trustees requests authorization to proceed with lease of Third and West which is located near the West Lafayette campus. The twenty-four-month lease will secure 401 apartments from Collegiate Housing Foundation that provide 984 beds for student housing during the 2025-26 and 2026-27 academic years.

Funding: The cost of this lease is \$20,619,091 and will be funded by Auxiliary Funds – Housing/Dining.

Additional Staff Notes: Staff recommends approval of the project.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved a lease for *Third and West*, which is located adjacent to the West Lafayette campus.

For the 2025-26 and 2026-27 academic years, the university will lease all 401 apartments from Collegiate Housing Foundation that include 984 beds for student housing. The total lease commitment for the two academic years is \$20,619,091.

This lease will help provide consistent student housing for the 2025-26 and 2026-27 academic years on the West Lafayette campus.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'CR', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

LEASE TERM SHEET

Third and West

Purdue University - West Lafayette Campus

Budget Agency Project Number: B-1-24-5-19

Project Summary and Description:

Purdue University proposes to lease *Third and West*, a facility adjacent to campus at 300 N. McCutcheon Drive in West Lafayette, and on ground leased by the Purdue Research Foundation. The facility is owned by Collegiate Housing Foundation. Purdue University's lease commitment will include 401 apartments that provide 984 beds for student housing.

This lease will help provide consistent student housing capacity for the 2025-2026 and 2026-2027 academic years on the West Lafayette campus.

Lease Parties: Collegiate Housing Foundation (the "Landlord")
Purdue University (the "Master Tenant")

Lease Term: 24 months (August 1, 2025 to July 31, 2027)

Total Lease Commitment: \$20,619,091 (Year 1: \$10,090,294; Year 2: \$10,528,797)

Funding Sources of the Project: Auxiliary Funds—Housing/Dining

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-6:

Ball State University – Village Development - Performing Arts Center

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Ball State University – Performing Arts Center

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

BSU – Performing Arts Center – Build Operate Transfer

Ball State University – Village Development - Performing Arts Center

Thursday, March 14, 2024

D-1-24-1-01 Ball State University – Performing Arts Center

The Ball State University Board of Trustees requests authorization to proceed with the execution of a Build-Operate-Transfer (BOT) agreement with FPBSU, LLC (Fairmount) for the design, construction, and initial operation of the new Performing Arts Center (PAC) which will then be transferred to the University. The 67,700 GSF project is estimated to cost \$69,900,000 and will include a main stage theatre with seating for 425, a studio “black box” theatre, dressing rooms, a green room, a lobby connected to the proposed hotel, scene shop, costume shop, lighting and sound shops and storage. The PAC is expected to host more than 160 university performances and draw more than 35,000 attendees to The Village each year.

Funding: The project will cost \$69,900,000 with \$42,500,000 in gift funds, \$25,400,000 in non-fee replaced debt, and \$2,000,000 in local government contribution.

Additional Staff Notes: Staff recommends approval of the project.



BALL STATE UNIVERSITY

February 15, 2024

The Honorable Eric Holcomb
Governor, State of Indiana
State House 206
Indianapolis, IN 46204

Subject: Build-Operate-Transfer Agreement for Performing Arts Center
Budget Agency Project Number: D-1-24-1-01

Dear Governor Holcomb:

For many decades, Muncie was a thriving city. Manufacturing industries employed thousands of people who earned good wages. A small teachers college evolved to become Ball State University. The Village, the commercial district that is immediately adjacent to the University and to IU Health Ball Memorial Hospital, was a vibrant destination that attracted people of all ages from across Delaware County and East Central Indiana, contributing to the quality of life in Muncie and the region.

Beginning in the 1970's, many of the largest regional employers relocated their manufacturing operations or were able to eliminate jobs due to advanced technology. The ensuing economic decline led to decades of disinvestment in the city and in The Village. The local stores and businesses that had attracted diverse crowds to The Village were replaced by bars, restaurants and stores that catered primarily to the growing number of Ball State students.

Over the last several years, efforts to improve Muncie and the surrounding region have been successful. The city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand the network of local trails, and to promote arts and culture venues and events. Additionally, the presidents of Ball State University and IU Health Ball Memorial Hospital created Next Muncie, a group of twelve community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. In 2018, the University embraced the opportunity afforded by the State to partner with Muncie Community Schools to ensure that every child in Muncie has access to a high-quality public education. All of these efforts are yielding real results that are enhancing the quality of life for residents of Muncie and East Central Indiana.

After years of planning and preliminary investments, Ball State University has developed and begun to execute a comprehensive plan to revitalize The Village. This revitalization plan is a collaborative partnership with elected officials in Muncie and Delaware County and two private development partners, Fairmount Properties and Schahet Hotels. Other local organizations, including the hospital, will also participate in the implementation of the plan. Working together, these parties will ensure that our projects align with and support the city's and the region's current plans.

The vision is to create a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options featuring a new select-service hotel within or adjacent to a **new performing arts center**. The Village will be restored to a regional amenity providing new entertainment options, along with places to live, work, and dine. The improved district will be a vibrant corridor connecting campus to downtown Muncie. New residential options in close

proximity to the region's two anchor institutions will entice more employees to live nearby, while also encouraging recent graduates and retirees to remain in the community. A new innovation center will leverage University resources to promote entrepreneurship and business expansion in the region. The combined impact of these amenities is expected to significantly increase tax revenues for Muncie, Delaware County, and the State of Indiana from property, sales, and income taxes.

This ambitious endeavor requires defined inputs from the University, the cornerstones of which are outlined by the four capital requests being submitted. All four projects were approved by the Ball State University Board of Trustees at the January 26, 2024 meeting. These projects are subject to your approval after review by the Commission for Higher Education and the State Budget Committee.

This request is for approval to execute a Build-Operate-Transfer (BOT) agreement with FPBSU, LLC (Fairmount) for the design, construction, and initial operation of a new Performing Arts Center (PAC) which will then be transferred to the University. The PAC will be the catalytic anchor that is essential to restoring the crowds and the vibrancy to The Village. The PAC and associated sitework and infrastructure will cost \$69.9 million and be funded by external grants, donors, City of Muncie contributions, and non-fee replaced debt, likely in the form of lease purchase obligations.

Each component of the Village Redevelopment project is essential to the successful revitalization of the area. I respectfully request your approval of this project. If you have any questions, please call me at 765-285-5555.

Sincerely,

BALL STATE UNIVERSITY



Geoffrey S. Mearns
President

Enclosures

cc: Commission for Higher Education
State Budget Agency

PROJECT COST SUMMARY

FOR: Build-Operate-Transfer (BOT) Agreement for Performing Arts Center

Institution: <input type="text" value="Ball State University"/>	Budget Agency Project No.: <input type="text" value="D-1-24-1-01"/>
Campus: <input type="text" value="Muncie"/>	Institutional Priority: <input type="text" value="1"/>
Previously approved by General Assembly: <input type="text" value="No"/>	Previously recommended by CHE: <input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan: <input type="text" value="Yes"/>	

Project Size: <input type="text" value="67,700"/> GSF (1) <input type="text" value="43,770"/> ASF (2) <input type="text" value="64.7%"/> ASF/GSF
Net change in overall campus space: <input type="text" value="67,700"/> GSF <input type="text" value="43,770"/> ASF

Total cost of the project (3):	<input type="text" value="\$ 69,900,000"/>	Cost per ASF/GSF:	<input type="text" value="\$ 1,032"/> GSF	<input type="text" value="\$ 1,597"/> ASF	PAC Construction \$ Only \$ 768 \$ 1,188
---------------------------------------	--	--------------------------	---	---	---

Funding Source(s) for project (4):	Amount	Type
	<input type="text" value="\$ 42,500,000"/>	<input type="text" value="Gift Funds"/>
	<input type="text" value="\$ 2,000,000"/>	<input type="text" value="Local Government Contribution"/>
	<input type="text" value="\$ 25,400,000"/>	<input type="text" value="Non-Fee Replaced Debt - Other"/>
	<input type="text" value=""/>	<input type="text" value=""/>

Estimated annual debt payment (6):	<input type="text" value="\$1,995,000"/>
Are all funds for the project secured:	<input type="text" value="No"/>

Project Funding:
 Gift funds include a grant from the Lilly Endowment through its College and Community Collaboration initiative, other foundation grants, and private donors to the University, the bulk of which are in hand or committed. The amount denoted as Local Government Contribution is a pledge from the Muncie Redevelopment Commission. Fundraising efforts for the Performing Arts Center continue. Any remaining funds will be from external debt financing, likely in the form of Lease Purchase Obligations.

Project Cost Justification
 This project will be designed, constructed, and temporarily operated by a private development partner, FPBSU LLC (an affiliated entity of Fairmount Properties), before ownership is transferred to the University. The \$69.9 million includes not only design and construction costs for the Performing Arts Center, but also the developer's fee, site improvements and infrastructure, cost contingencies, and miscellaneous soft costs.

Estimated annual change in cost of building operations based on the project:	<input type="text" value="\$ 406,200"/>
Estimated annual repair and rehabilitation investment (5):	<input type="text" value="\$ 870,000"/>

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

FOR: Build-Operate-Transfer (BOT) Agreement for Performing Arts Center

Institution:

Ball State University

Budget Agency Project No.:

D-1-24-1-01

Campus:

Muncie

Institutional Priority:

1

Description of Project

To successfully complete the vision articulated within the plan to revitalize The Village, Ball State University will, subject to all governmental approvals, enter into a Build-Operate-Transfer (BOT) Agreement with a developer to complete the design and construction of a Performing Arts Center and associated site and infrastructure improvements surrounding the property located on Site 1 in The Village. The total cost is not to exceed \$69.9 million.

Spaces in the PAC include a main stage theatre with seating for 425 spectators; a studio “black box” theatre; dressing rooms and a green room; a lobby connected to the hotel; scene shop; costume shop; lighting and sound shops; and storage. The Performing Arts Center is expected to host more than 160 University performances and draw more than 35,000 attendees to The Village each year.

Need and Purpose of the Program

A Vibrant Past - Muncie was a thriving city for many decades. The natural gas boom of the late 19th century produced significant industrial growth. For nearly 100 years, the Ball Corporation, Borg Warner, General Motors, Delco Battery, and Westinghouse employed thousands of people who earned good wages. During this time, a small teachers college evolved to become Ball State University, an institution with approximately 20,000 students and approximately 3,500 employees. As the institution grew, a commercial district located immediately adjacent to campus attracted people of all ages from across Delaware County and East Central Indiana. This district, which became known as The Village, included department stores, clothing stores, restaurants, grocery stores, and a drug store. The Village contributed to the quality of life in Muncie and the region.

The Current State - Beginning in the 1970s, the economy in Muncie began to decline. Many of the large companies moved their manufacturing facilities to other regions in the country. The manufacturers who remained incorporated advanced technology, enabling them to eliminate jobs while growing output. As a result of these two factors, the number of good jobs in Muncie and Delaware County declined significantly. In the wake of these economic and demographic changes, the nature of The Village also changed. Local stores and businesses closed. They were replaced by bars, restaurants, and stores that catered primarily to the growing number of Ball State students.

A Rebirth - Since 2010, city and regional plans have emphasized the need to invest in the quality of life in Muncie in order to attract and retain residents and drive economic growth. As a result, the city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand our network of trails, and to promote arts and culture venues and events. In 2018, the university president and the president of IU Health Ball Memorial Hospital created Next Muncie. This group consists of 12 community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. Since Next Muncie was formed five years ago, its members have helped advance several key initiatives, including a new downtown, riverfront apartment complex; a downtown condominium conversion in the former county jail and courthouse; and the construction of a new downtown YMCA immediately adjacent to Muncie Central High School. In 2018, the university also embraced the opportunity to partner with Muncie Community Schools (MCS). The principal goal of the historic partnership is to ensure that every child in Muncie has access to a high-quality public education. In just five years, MCS has stabilized student enrollment, renovated several schools, and begun implementing strategies that will produce significant, sustained outcomes for MCS students. One strategy is increasing teacher compensation by more than 30%, which has enabled MCS to attract and retain outstanding teachers. This partnership is a vital component of the community's plan to enhance quality of life for all of our citizens.

Planning and Preparation for a Brighter Future - For more than 10 years, the university has been developing a plan to revitalize The Village. The preparations include:

-Since 2012, the university and university foundation have invested more than \$5.3 million to acquire property in The Village. These sites are the main components of the current plan for revitalization.

- During that same period of time, university leaders visited more than 25 colleges and universities across the country to learn how those institutions have successfully revitalized commercial districts adjacent to their campuses.

-In 2013, the Delaware-Muncie Metropolitan Plan Commission adopted a zoning overlay district in The Village. This zoning overlay district establishes stronger, more consistent architectural design requirements in the district.

-In 2015, the university completed a comprehensive campus master plan. This plan includes "Engaging The Village" as one of its eight primary recommendations, because the university's leadership recognized the importance of investing in amenities adjacent to the university's campus.

-In 2019, Ball State's Board of Trustees approved a new long-term strategic plan. One of the five goals in this plan is the university's commitment to the communities that the university serves: "As a community-engaged institution, our university is internationally recognized for mobilizing partnerships that revitalize and sustain our city and our region." One of the strategic imperatives under this goal expressly states the university's aspiration to revitalize The Village: "The amenities and vibrancy of The Village and surrounding neighborhoods are attractive to students, faculty, staff, and community members as a result of the implementation of a long-term, phased plan to enhance quality of place."

-In 2021, the university updated its campus master plan. Once again, the university emphasized the importance of revitalizing The Village in order to honor the university's commitment to the city and the region.

Our Principal Goals - Before embarking on a process to select a private company to serve as the university's development partner, the university articulated four principal goals for this ambitious project:

-To create a more vibrant and dynamic environment near campus in order to attract and retain employees to Muncie's two anchor institutions and to entice more students to enroll at Ball State.

-To encourage more Ball State students to live and work in Muncie and Delaware County after they graduate.

-To complement the ongoing revitalization of downtown Muncie by improving the physical connection between these two commercial districts.

-To enhance population growth in Muncie and Delaware County by transforming The Village into a commercial district that is more appealing to people of all ages and varied interests.

These goals are mutually beneficial to the university and to the communities that the university serves.

Revitalizing the Village - Ball State University and Fairmount Properties (FPBSU, LLC) have mutually agreed on a plan to revitalize The Village. The terms and conditions of this working relationship were established in a Development Agreement between both parties executed on June 16, 2023. That plan will create a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options featuring a new hospitality use within or adjacent to a new state of the art catalytic anchor. The Performing Arts Center will serve as this catalytic anchor for The Village revitalization by providing user-friendly spaces for teaching and learning by day, and highly experiential spaces for audiences by night.

Space Utilization

The Performing Arts Center will replace performance spaces being repurposed as teaching spaces in the North Campus Building Renovations project (specifically the Music, Arts & Communications, and University Theater components) that was approved by the 2023 Indiana General Assembly. The Department of Theatre and Dance has experienced dramatic growth in the last two decades, growing from approximately 185 majors in 1996 to over 400 majors today. In addition to the 160+ University performances expected to be held at the venue, the space will also be made available for community events.

Comparable Projects

<u>Project</u>	<u>Year</u>	<u>Cost (\$M)</u>	<u>GSF</u>	<u>\$/GSF</u>	<u>Inflated to 2025 \$*</u>
Playhouse in the Park (Cincinnati)	2020	\$ 39.5	62,229	\$634.75	\$974.72
Jay and Susie Gogue Performing Arts Center (Auburn)	2019	\$ 50.0	80,300	\$622.67	\$989.62
Patton Arts Center (Ohio University)	2025	\$ 49.2	46,980	\$1,047.25	\$1,047.25
Mullen Center for the Performing Arts (Villanova)	2020	\$ 60.0	83,815	\$715.86	\$1,099.27
Centre for Theatre and Dance (Milliken University)	2020	\$ 29.0	60,300	\$480.93	\$738.51 ¹

*Assumes inflation per Engineering News Record (ENR), with more recent years seeing significant cost impacts from pandemic, supply chain issues, inflation, global economic turmoil, etc. Specifically, the following inflation rates were used: 2020 - 5%; 2021 - 15%; 2022 - 8%; 2023 - 8%; 2024 - 8%; 2025 - 6%

¹ Milliken University Centre for Theatre and Dance includes only one performance venue, a flexible studio theatre, and does not include a proscenium theatre.

Background Materials

This project should be considered in conjunction with the other three components of the Village Redevelopment project that are being presented at this time. Taken together, they represent the first step in a project that is expected to transform The Village area adjacent to campus into a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options. More information on the revitalization plan for The Village is attached.

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Build-Operate-Transfer (BOT) Agreement for Performing Arts Center

D-1-24-1-01	Current Campus Totals			Capital Request			
Build-Operate-Transfer (BOT) Agreement for Performing Arts Center	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
<u>A. OVERALL SPACE IN ASF</u>							
Classroom (110 & 115)	142,366			142,366			142,366
Class Lab (210,215,220,225,230,235)	461,451		21,000	482,451		12,544	494,995
Non-class Lab (250 & 255)	63,365			63,365			63,365
Office Facilities (300)	685,623			685,623		1,823	687,446
Study Facilities (400)	200,477			200,477			200,477
Special Use Facilities (500)	526,215		5,000	531,215			531,215
General Use Facilities (600)	314,202			314,202		23,128	337,330
Support Facilities (700)	101,743			101,743		6,275	108,018
Health Care Facilities (800)	9,281			9,281			9,281
Resident Facilities (900)	1,763,662			1,763,662			1,763,662
Unclassified (000)	78,353			78,353			78,353
<u>B. OTHER FACILITIES</u>							
Parking Garages	469,752			469,752			469,752
TOTAL SPACE	4,816,490	-	26,000	4,842,490	-	43,770	4,886,260

Notes:

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

The conversion of solarium space at Architecture Building into new studios	21,000
The repurposing of two-story space at University Theater to split floors	5,000

(2) New space in capital request: Performing Arts Center - subject to change pending final programming of space 43,770

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

CAPITAL PROJECT COST DETAILS
FOR: Build-Operate-Transfer (BOT) Agreement for Performing Arts Center

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-1-01
Campus:	Muncie	Institutional Priority:	1

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	May	2024
Start Construction	July	2024
Occupancy (End Date)	August	2026

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
Planning Costs			
a. Engineering	\$ 1,448,214	\$ 173,786	\$ 1,622,000
b. Architectural	\$ 1,448,214	\$ 173,786	\$ 1,622,000
c. Consulting	\$ 2,509,821	\$ 301,179	\$ 2,811,000 ⁽³⁾
Construction			
a. Structure	\$ 31,267,857	\$ 3,752,143	\$ 35,020,000
b. Mechanical (HVAC, plumbing, etc.)	\$ 9,419,643	\$ 1,130,357	\$ 10,550,000
c. Electrical	\$ 5,830,357	\$ 699,643	\$ 6,530,000
d. Demolition of Existing Facilities			\$ -
Movable Equipment	\$ 1,785,714	\$ 214,286	\$ 2,000,000
Fixed Equipment	\$ 2,540,179	\$ 304,821	\$ 2,845,000
Site Development/Land Acquisition	\$ 6,160,714	\$ 739,286	\$ 6,900,000
Other (Legal/Administra)			\$ -
TOTAL ESTIMATED PROJECT COST	\$ 62,410,714	\$ 7,489,286	\$ 69,900,000

- (1) Cost Basis is based on current cost prevailing as of: January 2024.
- (2) Assumed escalation of 8% per year to midpoint of construction.
- (3) Consulting costs include developer fees associated with BOT Agreement.

CAPITAL PROJECT OPERATING COST DETAILS
FOR: Build-Operate-Transfer (BOT) Agreement for Performing Arts Center

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-1-01
Campus:	Muncie	Institutional Priority:	1

ANNUAL OPERATING COST/SAVINGS (1)					GSF OF AREA AFFECTED BY PROJECT
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses	
1. Operations	\$ 2.39	\$ 161,803	\$ 129,442	\$ 32,361	67,700
2. Maintenance	\$ 1.54	\$ 104,259	\$ 78,194	\$ 26,065	
3. Fuel	\$ 0.07	\$ 4,738		\$ 4,738	
4. Utilities	\$ 2.00	\$ 135,400		\$ 135,400	
5. Other	\$ -	\$ -			
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 6.00	\$ 406,200	\$ 207,636	\$ 198,564	

Description of any unusual factors affecting operating and maintenance costs/savings.
 These are the incremental operating costs of adding 67,700 gross square feet.

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-7:

Ball State University – Village Development - Hotel Ground Lease

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Ball State University – Village Site 1 – Hotel Ground Lease

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

BSU – Hotel Ground Lease

Ball State University – Village Development – Hotel Ground Lease

Thursday, March 14, 2024

D-1-24-5-02 Ball State University – Village Site 1 – Hotel Ground Lease

The Ball State University Board of Trustees requests authorization to proceed with the execution of a ground lease with Muncie Hotel Partners (Schahet Hotels) which will allow Schahet Hotels to develop, construct, and operate a first-class hotel adjacent to the proposed Performing Arts Center. The hotel will provide at least 90 rooms with both a ground-floor restaurant and a rooftop restaurant/bar providing an upscale experience. BSU will receive rent and other compensation over the 75-year lease term. BSU will contribute up to \$10,000,000 in tenant improvements to be funded from operating reserves.

Funding: The \$10,000,000 in university-funded tenant improvement will be paid for with operating reserves.

Additional Staff Notes: Staff recommends approval of the project.



BALL STATE UNIVERSITY

February 15, 2024

The Honorable Eric Holcomb
Governor, State of Indiana
State House 206
Indianapolis, IN 46204

Subject: Ground Lease with Muncie Hotel Partners, LLC on Site 1
Budget Agency Project Number: D-1-24-5-02

Dear Governor Holcomb:

For many decades, Muncie was a thriving city. Manufacturing industries employed thousands of people who earned good wages. A small teachers college evolved to become Ball State University. The Village, the commercial district that is immediately adjacent to the University and to IU Health Ball Memorial Hospital, was a vibrant destination that attracted people of all ages from across Delaware County and East Central Indiana, contributing to the quality of life in Muncie and the region.

Beginning in the 1970's, many of the largest regional employers relocated their manufacturing operations or were able to eliminate jobs due to advanced technology. The ensuing economic decline led to decades of disinvestment in the city and in The Village. The local stores and businesses that had attracted diverse crowds to The Village were replaced by bars, restaurants and stores that catered primarily to the growing number of Ball State students.

Over the last several years, efforts to improve Muncie and the surrounding region have been successful. The city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand the network of local trails, and to promote arts and culture venues and events. Additionally, the presidents of Ball State University and IU Health Ball Memorial Hospital created Next Muncie, a group of twelve community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. In 2018, the University embraced the opportunity afforded by the State to partner with Muncie Community Schools to ensure that every child in Muncie has access to a high-quality public education. All of these efforts are yielding real results that are enhancing the quality of life for residents of Muncie and East Central Indiana.

After years of planning and preliminary investments, Ball State University has developed and begun to execute a comprehensive plan to revitalize The Village. This revitalization plan is a collaborative partnership with elected officials in Muncie and Delaware County and two private development partners, Fairmount Properties and Schahet Hotels. Other local organizations, including the hospital, will also participate in the implementation of the plan. Working together, these parties will ensure that our projects align with and support the city's and the region's current plans.

The vision is to create a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options featuring a **select-service hotel** within or adjacent to a new performing arts center. The Village will be restored to a regional amenity providing new entertainment options, along with places to live, work, and dine. The improved district will

be a vibrant corridor connecting campus to downtown Muncie. New residential options in close proximity to the region's two anchor institutions will entice more employees to live nearby, while also encouraging recent graduates and retirees to remain in the community. A new innovation center will leverage University resources to promote entrepreneurship and business expansion in the region. The combined impact of these amenities is expected to significantly increase tax revenues for Muncie, Delaware County, and the State of Indiana from property, sales, and income taxes.

This ambitious endeavor requires defined inputs from the University, the cornerstones of which are outlined by the four capital requests being submitted. All four projects were approved by the Ball State University Board of Trustees at the January 26, 2024 meeting. These projects are subject to your approval after review by the Commission for Higher Education and the State Budget Committee.

This request seeks approval for the execution of a ground lease with Muncie Hotel Partners, LLC (Schahet Hotels) which will allow the lessee to develop, construct, and operate a first-class hotel adjacent to the proposed Performing Arts Center. The lessee will pay rent and other compensation over the 75-year lease term. The University will contribute up to \$10 million in tenant improvements to be funded from internal reserves.

Each component of the Village Redevelopment project is essential to the successful revitalization of the area. I respectfully request your approval of this project. If you have any questions, please call me at 765-285-5555.

Sincerely,

BALL STATE UNIVERSITY



Geoffrey S. Mearns
President

Enclosures

cc: Commission for Higher Education
State Budget Agency

LEASE TERM SHEET

Ground Lease with Muncie Hotel Partners, LLC on Site 1

Ball State University – Muncie Campus

Budget Agency Project Number: D-1-24-5-02

Project Summary and Description:

Ball State University proposes to lease a portion of Site 1 within the Village Redevelopment project to Muncie Hotel Partners, LLC (an affiliated company of Schahet Hotels, LLC) for purposes of developing, constructing and operating a Tapestry by Hilton Hotel in The Village. The Hotel will have at least 90 rooms with both a ground-floor restaurant and a rooftop restaurant/bar providing an upscale experience. The Hotel will be attached to the University’s proposed new Performing Arts Center.

Lease Parties: Muncie Hotel Partners, LLC (the “Tenant”)
Ball State University (the “University”)

Lease Term: 75 years following Tenant’s receipt of certificate of occupancy for the Hotel

Base Rent: Tenant agrees to pay base rent to the University as follows:

- A. \$0 until the end of Lease Year 2
- B. Between Lease Years 3-7, fixed payments of \$1,000 per year
- C. Between Lease Years 8-12, fixed payments of \$10,000 per year
- D. From Lease Year 13 to Lease Year 75, fixed payments of \$100,000 per year

Additional Rent: For Lease Years 13-75, Tenant shall pay the University additional rent equal to 5% of the net operating income derived from the Tenant’s operation of the Hotel.

Tenant Obligations: The obligations of Tenant under the Lease include the development, construction, operation, maintenance, and repair of the Hotel, to be constructed on the Premises in accordance with the Final Building Plan approved by the University. The Hotel shall be limited to a first-class hotel with at least 90 rooms with both a ground-floor restaurant and a rooftop restaurant/bar providing an upscale experience. Tenant shall substantially complete construction of the Hotel by no later than August 1, 2026. Once the Hotel is substantially completed, Tenant may engage a third-party management company to manage the business operations of the Hotel. Except as otherwise provided, during the Term, Tenant shall be responsible for all costs, charges, insurance premiums, taxes, utilities, expenses and assessments covering the Premises under the Lease.

University Obligations: The University agrees to provide Tenant a tenant improvement allowance in the maximum amount of \$10,000,000 for the initial construction of the Hotel. This amount will be fully repaid on the occasion of any future capital event which may occur (e.g. refinancing or building sale). Once repaid, the University will continue to receive 10% of any equity received as a result of a subsequent capital event.

Funding Sources of University Obligation: Operating Funds - Reserves

COMMISSION FOR HIGHER EDUCATION

Thursday March 14, 2024

BUDGET ITEM C-8:

Ball State University - Village Development - Center for Innovation

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Ball State University – Center for Innovation

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than two million dollars (\$2,000,000), regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds two million dollars (\$2,000,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds two million dollars (\$2,000,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

Supporting Document

BSU – Center for Innovation – Build Operate Transfer

Ball State University – Village Development - Center for Innovation

Thursday, March 14, 2024

D-1-24-1-05 Ball State University – Center for Innovation

The Ball State University Board of Trustees requests authorization to proceed with the execution of a Build-Operate-Transfer (BOT) agreement with FPBSU, LLC (Fairmount) for the design, construction, and initial operation of the new Center for Innovation which will then be transferred to the University. The 31,425 GSF project will cost approximately \$21,300,000 and will serve students, faculty, community members, and the private sector in a space that fosters collaboration and knowledge-sharing. The space will include a mix of classrooms, lab space, gathering/assembly space, office spaces, and storage.

Funding: The estimated cost of this project is \$21,300,000 with \$18,800,000 in non-fee replaced debt and \$2,500,000 in gift funds.

Additional Staff Notes: Staff recommends approval of the project.



BALL STATE UNIVERSITY

February 15, 2024

The Honorable Eric Holcomb
Governor, State of Indiana
State House 206
Indianapolis, IN 46204

Subject: Build-Operate-Transfer Agreement for Center for Innovation
Budget Agency Project Number: D-1-24-1-05

Dear Governor Holcomb:

For many decades, Muncie was a thriving city. Manufacturing industries employed thousands of people who earned good wages. A small teachers college evolved to become Ball State University. The Village, the commercial district that is immediately adjacent to the University and to IU Health Ball Memorial Hospital, was a vibrant destination that attracted people of all ages from across Delaware County and East Central Indiana, contributing to the quality of life in Muncie and the region.

Beginning in the 1970's, many of the largest regional employers relocated their manufacturing operations or were able to eliminate jobs due to advanced technology. The ensuing economic decline led to decades of disinvestment in the city and in The Village. The local stores and businesses that had attracted diverse crowds to The Village were replaced by bars, restaurants and stores that catered primarily to the growing number of Ball State students.

Over the last several years, efforts to improve Muncie and the surrounding region have been successful. The city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand the network of local trails, and to promote arts and culture venues and events. Additionally, the presidents of Ball State University and IU Health Ball Memorial Hospital created Next Muncie, a group of twelve community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. In 2018, the University embraced the opportunity afforded by the State to partner with Muncie Community Schools to ensure that every child in Muncie has access to a high-quality public education. All of these efforts are yielding real results that are enhancing the quality of life for residents of Muncie and East Central Indiana.

After years of planning and preliminary investments, Ball State University has developed and begun to execute a comprehensive plan to revitalize The Village. This revitalization plan is a collaborative partnership with elected officials in Muncie and Delaware County and two private development partners, Fairmount Properties and Schahet Hotels. Other local organizations, including the hospital, will also participate in the implementation of the plan. Working together, these parties will ensure that our projects align with and support the city's and the region's current plans.

The vision is to create a best-in-class, multigenerational district driven by arts and culture, entertainment, and **innovation** with new dining, retail, service, living, and gathering options featuring a new select-service hotel within or adjacent to a new state of the art performing arts center. The Village will be restored to a regional amenity providing new entertainment options, along with places to live, work, and dine. The

improved district will be a vibrant corridor connecting campus to downtown Muncie. New residential options in close proximity to the region's two anchor institutions will entice more employees to live nearby, while also encouraging recent graduates and retirees to remain in the community. A new innovation center will leverage University resources to promote entrepreneurship and business expansion in the region. The combined impact of these amenities is expected to significantly increase tax revenues for Muncie, Delaware County, and the State of Indiana from property, sales, and income taxes.

This ambitious endeavor requires defined inputs from the University, the cornerstones of which are outlined by the four capital requests being submitted. These projects were approved by the Ball State University Board of Trustees at the January 26, 2024 meeting and are subject to your approval after review by the Commission for Higher Education and the State Budget Committee.

This request is for approval to execute a Build-Operate-Transfer (BOT) agreement with FPBSU, LLC (Fairmount) for the design, construction, operation, and transfer of a new Center for Innovation. The \$21.3 million center will be funded from external grants and non-fee replaced debt, likely in the form of lease purchase obligations. The Center for Innovation is expected to drive economic growth in the community, region, and State of Indiana.

Each component of the Village Redevelopment project is essential to the successful revitalization of the area. I respectfully request your approval of this project. If you have any questions, please call me at 765-285-5555.

Sincerely,

BALL STATE UNIVERSITY



Geoffrey S. Mearns
President

Enclosures

cc: Commission for Higher Education
State Budget Agency

PROJECT COST SUMMARY

FOR: Build-Operate-Transfer (BOT) Agreement for Center for Innovation

Institution: <input type="text" value="Ball State University"/>	Budget Agency Project No.: <input type="text" value="D-1-24-1-05"/>
Campus: <input type="text" value="Muncie"/>	Institutional Priority: <input type="text" value="1"/>
Previously approved by General Assembly: <input type="text" value="No"/>	Previously recommended by CHE: <input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan: <input type="text" value="Yes"/>	

Project Size: <input type="text" value="31,425"/> GSF (1) <input type="text" value="24,353"/> ASF (2) <input type="text" value="77.5%"/> ASF/GSF
Net change in overall campus space: <input type="text" value="31,425"/> GSF <input type="text" value="24,353"/> ASF

Total cost of the project (3): <input type="text" value="\$ 21,300,000"/>	Cost per ASF/GSF: <input type="text" value="\$ 678"/> GSF
	<input type="text" value="\$ 875"/> ASF

Funding Source(s) for project (4):	Amount	Type
	<input type="text" value="\$ 18,800,000"/>	<input type="text" value="Non-Fee Replaced Debt - Other"/>
	<input type="text" value="\$ 2,500,000"/>	<input type="text" value="Gift Funds"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>

Estimated annual debt payment (6): <input type="text" value="\$1,477,000"/>
Are all funds for the project secured: <input type="text" value="No"/>

Project Funding:
 The University will be utilizing both gift funds and external debt financing, likely in the form of Lease Purchase Obligations, for the financing of this project. The gift funds are already in hand.

Project Cost Justification
 This project will be designed, constructed, and temporarily operated by a private development partner, FPBSU LLC (an affiliated entity of Fairmount Properties), before ownership is transferred to the University. The \$21.3 million includes not only design and construction costs for the Center for Innovation, but also the developer's fee, cost contingencies, and miscellaneous soft costs.

Estimated annual change in cost of building operations based on the project: <input type="text" value="\$ 188,550"/>
Estimated annual repair and rehabilitation investment (5): <input type="text" value="\$ 251,190"/>

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

FOR: Build-Operate-Transfer (BOT) Agreement for Center for Innovation

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-1-05
Campus:	Muncie	Institutional Priority:	1

Description of Project

To successfully complete the vision articulated within the plan to revitalize The Village, Ball State University will, subject to all governmental approvals, enter into a Build-Operate-Transfer (BOT) Agreement with a developer to complete the design and construction of a Center for Innovation on Site 3 in The Village. The total cost is not to exceed \$21.3 million.

The Center for Innovation will serve as a place where students, faculty, community members, and the private sector can interact in an ecosystem that fosters collaboration and knowledge-sharing to develop, promote, and scale solutions. The physical space will include a mix of classrooms, lab space, gathering/assembly space, office spaces, and storage. Ideally, the Center will be an economic engine driving growth throughout the community, the region, and the State of Indiana.

Need and Purpose of the Program

A Vibrant Past - Muncie was a thriving city for many decades. The natural gas boom of the late 19th century produced significant industrial growth. For nearly 100 years, the Ball Corporation, Borg Warner, General Motors, Delco Battery, and Westinghouse employed thousands of people who earned good wages. During this time, a small teachers college evolved to become Ball State University, an institution with approximately 20,000 students and approximately 3,500 employees. As the institution grew, a commercial district located immediately adjacent to campus attracted people of all ages from across Delaware County and East Central Indiana. This district, which became known as The Village, included department stores, clothing stores, restaurants, grocery stores, and a drug store. The Village contributed to the quality of life in Muncie and the region.

The Current State - Beginning in the 1970s, the economy in Muncie began to decline. Many of the large companies moved their manufacturing facilities to other regions in the country. The manufacturers who remained incorporated advanced technology, enabling them to eliminate jobs while growing output. As a result of these two factors, the number of good jobs in Muncie and Delaware County declined significantly. In the wake of these economic and demographic changes, the nature of The Village also changed. Local stores and businesses closed. They were replaced by bars, restaurants, and stores that catered primarily to the growing number of Ball State students.

A Rebirth - Since 2010, city and regional plans have emphasized the need to invest in the quality of life in Muncie in order to attract and retain residents and drive economic growth. As a result, the city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand our network of trails, and to promote arts and culture venues and events. In 2018, the university president and the president of IU Health Ball Memorial Hospital created Next Muncie. This group consists of 12 community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. Since Next Muncie was formed five years ago, its members have helped advance several key initiatives, including a new downtown, riverfront apartment complex; a downtown condominium conversion in the former county jail and courthouse; and the construction of a new downtown YMCA immediately adjacent to Muncie Central High School. In 2018, the university also embraced the opportunity to partner with Muncie Community Schools (MCS). The principal goal of the historic partnership is to ensure that every child in Muncie has access to a high-quality public education. In just five years, MCS has stabilized student enrollment, renovated several schools, and begun implementing strategies that will produce significant, sustained outcomes for MCS students. One strategy is increasing teacher compensation by more than 30%, which has enabled MCS to attract and retain outstanding teachers. This partnership is a vital component of the community's plan to enhance quality of life for all of our citizens.

Planning and Preparation for a Brighter Future - For more than 10 years, the university has been developing a plan to revitalize The Village. The preparations include:

-Since 2012, the university and university foundation have invested more than \$5.3 million to acquire property in The Village. These sites are the main components of the current plan for revitalization.

- During that same period of time, university leaders visited more than 25 colleges and universities across the country to learn how those institutions have successfully revitalized commercial districts adjacent to their campuses.

-In 2013, the Delaware-Muncie Metropolitan Plan Commission adopted a zoning overlay district in The Village. This zoning overlay district establishes stronger, more consistent architectural design requirements in the district.

-In 2015, the university completed a comprehensive campus master plan. This plan includes "Engaging The Village" as one of its eight primary recommendations, because the university's leadership recognized the importance of investing in amenities adjacent to the university's campus.

-In 2019, Ball State's Board of Trustees approved a new long-term strategic plan. One of the five goals in this plan is the university's commitment to the communities that the university serves: "As a community-engaged institution, our university is internationally recognized for mobilizing partnerships that revitalize and sustain our city and our region." One of the strategic imperatives under this goal expressly states the university's aspiration to revitalize The Village: "The amenities and vibrancy of The Village and surrounding neighborhoods are attractive to students, faculty, staff, and community members as a result of the implementation of a long-term, phased plan to enhance quality of place."

-In 2021, the university updated its campus master plan. Once again, the university emphasized the importance of revitalizing The Village in order to honor the university's commitment to the city and the region.

Our Principal Goals - Before embarking on a process to select a private company to serve as the university's development partner, the university articulated four principal goals for this ambitious project:

-To create a more vibrant and dynamic environment near campus in order to attract and retain employees to Muncie's two anchor institutions and to entice more students to enroll at Ball State.

-To encourage more Ball State students to live and work in Muncie and Delaware County after they graduate.

-To complement the ongoing revitalization of downtown Muncie by improving the physical connection between these two commercial districts.

-To enhance population growth in Muncie and Delaware County by transforming The Village into a commercial district that is more appealing to people of all ages and varied interests.

These goals are mutually beneficial to the university and to the communities that the university serves.

Revitalizing the Village - Ball State University and Fairmount Properties (FPBSU, LLC) have mutually agreed on a plan to revitalize The Village. The terms and conditions of this working relationship were established in a Development Agreement between both parties executed on June 16, 2023. That plan will create a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options featuring a new hospitality use within or adjacent to a new state of the art catalytic anchor. The Performing Arts Center will serve as this catalytic anchor for The Village revitalization by providing user-friendly spaces for teaching and learning by day, and highly experiential spaces for audiences by night.

Space Utilization

A portion of the Center for Innovation will be partially filled by existing Ball State departments including Emerging Media Development and Design, Institute for Digital Intermedia Arts, Entrepreneurial Leadership Institute, Lifetime Learning, Industry Engagement, Career Center, and others. The remainder of the building will be made available to non-University entities with similar purposes of driving economic growth.

Comparable Projects

<u>Project</u>	<u>Year</u>	<u>Project Cost (\$M)</u>	<u>GSF</u>	<u>\$/GSF</u>	<u>Inflated to 2025 \$*</u>
Bechtel Innovation Design Center (Purdue)	2017	\$ 18.5	31,000	\$596.77	\$1,016.03
Nils K. Nelson Bioscience Innovation Building (Purdue Northwest)	2020	\$ 40.5	68,000	\$595.59	\$914.58
IUPUI Innovation Hall	2020	\$ 44.0	100,000	\$440.00	\$675.66
IU School of Medicine Education and Research Bldg.	2024	\$ 230.0	326,000	\$705.52	\$747.85
Hypersonics and Applied Research Facility Building (Purdue)	2023	\$ 41.0	65,000	\$630.77	\$722.10

*Assumes inflation per Engineering News Record (ENR), with more recent years seeing significant cost impacts from pandemic, supply chain issues, inflation, global economic turmoil, etc. Specifically, the following inflation rates were used: 2020 - 5%; 2021 - 15%; 2022 - 8%; 2023 - 8%; 2024 - 8%; 2025 - 6%

Background Materials

This project should be considered in conjunction with the other three components of the Village Redevelopment project that are being presented at this time. Taken together, they represent the first step in a project that is expected to transform The Village area adjacent to campus into a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options. More information on the revitalization plan for The Village is attached.

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Build-Operate-Transfer (BOT) Agreement for Center for Innovation

D-1-24-1-05	Current Campus Totals			Capital Request			
Build-Operate-Transfer (BOT) Agreement for Center for Innovation	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
<u>A. OVERALL SPACE IN ASF</u>							
Classroom (110 & 115)	142,366			142,366		2,435	144,801
Class Lab (210,215,220,225,230,235)	461,451		21,000	482,451		4,871	487,322
Non-class Lab (250 & 255)	63,365			63,365		3,896	67,261
Office Facilities (300)	685,623			685,623		5,845	691,468
Study Facilities (400)	200,477			200,477			200,477
Special Use Facilities (500)	526,215		5,000	531,215			531,215
General Use Facilities (600)	314,202			314,202		4,627	318,829
Support Facilities (700)	101,743			101,743		2,679	104,422
Health Care Facilities (800)	9,281			9,281			9,281
Resident Facilities (900)	1,763,662			1,763,662			1,763,662
Unclassified (000)	78,353			78,353			78,353
<u>B. OTHER FACILITIES</u>							
Parking Garages	469,752			469,752			469,752
TOTAL SPACE	4,816,490	-	26,000	4,842,490	-	24,353	4,866,843

Notes:

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

The conversion of solarium space at Architecture Building into new studios	21,000
The repurposing of two-story space at University Theater to split floors	5,000

(2) New space in capital request: Center for Innovation - space detail is subject to change pending final programming 24,353

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

CAPITAL PROJECT COST DETAILS
FOR: Build-Operate-Transfer (BOT) Agreement for Center for Innovation

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-1-05
Campus:	Muncie	Institutional Priority:	1

ANTICIPATED CONSTRUCTION SCHEDULE

	Month	Year
Bid Date	September	2024
Start Construction	October	2024
Occupancy (End Date)	June	2026

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
Planning Costs			
a. Engineering	\$ 535,714	\$ 64,286	\$ 600,000
b. Architectural	\$ 535,714	\$ 64,286	\$ 600,000
c. Consulting	\$ 982,143	\$ 117,857	\$ 1,100,000 ³
Construction			
a. Structure	\$ 10,706,946	\$ 1,284,834	\$ 11,991,780
b. Mechanical (HVAC, plumbing, etc.)	\$ 2,676,737	\$ 321,208	\$ 2,997,945
c. Electrical	\$ 1,487,076	\$ 178,449	\$ 1,665,525
d. Demolition of Existing Facilities	\$ 90,750	\$ -	\$ 90,750
Movable Equipment	\$ 800,000	\$ 96,000	\$ 896,000
Fixed Equipment	\$ 783,929	\$ 94,071	\$ 878,000
Site Development/Land Acquisition	\$ 428,571	\$ 51,429	\$ 480,000
Other (Legal/Administra)			\$ -
TOTAL ESTIMATED PROJECT COST	\$ 19,027,580	\$ 2,272,420	\$ 21,300,000

(1) Cost Basis is based on current cost prevailing as of: January 2024, with escalation of 4% per year to midpoint of construction.

(2) Assumed escalation of 8% per year to midpoint of construction.

(3) Consulting costs include developer fees associated with BOT Agreement.

CAPITAL PROJECT OPERATING COST DETAILS
FOR: Build-Operate-Transfer (BOT) Agreement for Center for Innovation

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-1-05
Campus:	Muncie	Institutional Priority:	1

ANNUAL OPERATING COST/SAVINGS (1)					GSF OF AREA AFFECTED BY PROJECT	31,425
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses		
1. Operations	\$ 2.39	\$ 75,106	\$ 60,085	\$ 15,021		
2. Maintenance	\$ 1.54	\$ 48,395	\$ 36,296	\$ 12,099		
3. Fuel	\$ 0.07	\$ 2,200		\$ 2,200		
4. Utilities	\$ 2.00	\$ 62,850		\$ 62,850		
5. Other	\$ -	\$ -				
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 6.00	\$ 188,550	\$ 96,380	\$ 92,170		

Description of any unusual factors affecting operating and maintenance costs/savings.
 These are the incremental operating costs of adding 31,425 gross square feet.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

BUDGET ITEM D:

Capital Projects for Expedited Action

Staff Recommendation

That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee of the following projects:

- Purdue University– Graduate House Parking Garage Demolition and Site Restoration
- Indiana State University – Early Childhood Education Center
- Ball State University – Site Land Purchase

Background

Staff recommends approval to the State Budget Agency and the State Budget Committee of the following capital projects in accordance with the expedited action category originated by the Commission for Higher Education in May 2006. Institutional staff will be available to answer questions about these projects, but the staff does not envision formal presentations.

Supporting Document

Background Information on Capital Projects for Expedited Action, Thursday, March 14, 2024.

Capital Projects for Expedited Action

Thursday, March 14, 2024

- B-1-24-6-17** **Purdue University – Graduate House Parking Garage Demolition and Site Restoration**
The Purdue University Board of Trustees requests authorization to proceed with the demolition of the existing Graduate House Parking Garage adjacent to the planned Mitchell E. Daniels, Jr. School of Business Building. The site will be restored at ground level and a courtyard will be installed with dock access to surrounding building. Existing pedestrian sub-walks between the parking garage and nearby facilities will be kept or rebuilt as necessary. This will be combined and delivered as a joint effort due to design and construction efficiencies with the new Daniels School of Business Building. The estimated total project cost is \$8,000,000 and will be funded by \$4,000,000 in Gift funds and \$3,000,000 in Auxiliary Funds – Parking.
- C-1-24-2-02** **Indiana State University – Early Childhood Education Development Center**
The Indiana State University Board of Trustees requests authorization to proceed with the renovation of the Chestnut Building to house the Early Childhood Education Development Center. The renovation includes a new elevator, upgraded heating, ventilation, cooling, electrical, and fire suppression systems to meet State childcare licensing and national accreditation standards. The estimated cost of this project is \$9,780,686 and will consist of \$1,000,000 from Wabash River Regional Development Authority, \$1,000,000 from City of Terre Haute American Recover Plan Act, \$3,000,000 from Vigo County American Recover Plan Act, and \$4,780,686 from Lilly Endowment Campus and Community Collaboration.
- D-1-24-3-03** **Ball State University – Village Development Land Purchase**
The Ball State University Board of Trustees requests authorization to proceed with the purchase of seven properties from an affiliate of the Ball State University Foundation, Cardinal Properties. Two of the acquired properties will become site to the University’s new Center for Innovation. The other five properties will be ground leased to FPBSU, LLC (Fairmount) at a future date and developed into mixed-use property with retail and apartments. The combined price of all seven properties is \$2,327,400 and will be funded from operating reserves.



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on January 19, 2024, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Graduate House Parking Garage Demolition and Site Restoration project on the West Lafayette campus.

This project will demolish the existing Graduate House Parking Garage, adjacent to the planned Mitchell E. Daniels, Jr. School of Business building. The site will be restored at ground level following demolition, and a courtyard will be installed with dock access to surrounding buildings. Existing pedestrian sub-walks between the parking garage and nearby facilities will be kept or rebuilt as necessary, and affected utilities will be relocated. Due to design and construction efficiencies, this project and the new Daniels School of Business building will be combined and delivered as a joint effort, represented by the same design and construction manager companies.

The parking garage is at the end of its useful life and would require costly and ongoing repairs to remain safe and functional. The courtyard is consistent with the 2018 Giant Leaps campus master plan and will provide new, open green space in the area.

The estimated total project cost is \$8,000,000 and will be funded by \$5,000,000 in Gift Funds and \$3,000,000 in Auxiliary Funds – Parking.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms that the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'CR', written over a horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

- c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
- Zachary Jackson, Director, Indiana State Budget Agency
- Cody Wilson, Division Director, Indiana State Budget Agency
- Kathleen Thomason, Comptroller, Purdue University
- Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY
Graduate House Parking Garage Demolition and Site Restoration

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-6-17
Campus:	West Lafayette	Institutional Priority:	N/A
Previously approved by General Assembly:	No	Previously recommended by CHE:	No
Part of the Institution's Long-term Capital Plan:	Yes		

Project Size:	55,000	51,079 ASF (2)	0.93 ASF/GSF
Net change in overall campus space:	55,000 GSF	51,079 ASF	

Total cost of the project (3):	\$ 8,000,000	Cost per ASF/GSF:	\$ 145.45 GSF
Total cost of the demolition:	\$ 3,000,000		\$ 156.62 ASF
Funding Source(s) for project (4):	Amount	Type	
	\$ 5,000,000	Gift Funds	
	\$ 3,000,000	Auxiliary Funds - Parking	
Estimated annual debt payment (6):	\$0		
Are all funds for the project secured:	Yes		

Project Funding:
The project is being funded by Gift Funds and Auxiliary Funds - Parking, and all funds are secured.

Project Cost Justification
Since the project is for the demolition of a structure and site improvements, cost/GSF is not an ideal measurement. This project's scope and cost are described more in the Capital Project Details section.

Estimated annual change in cost of building operations based on the project:	\$ (154,402)
Estimated annual repair and rehabilitation investment (5):	\$ 50,000

(1) Gross Square Feet (GSF)- Sum of all area within the exterior envelope of the structure.
(2) Assignable Square Feet (ASF)- Amount of space that can be used by people or programs within the interior walls of a structure. Assignable square feet is the sum of the 10 major assignable space use categories: classrooms, laboratories, offices, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified facilities. For information on assignable space use categories, see Space-Room Codes tab.
(3) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
(4) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
(5) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost
(6) If issuing debt, determine annual payment based on 20 years at 4.75% interest rate
- If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION
Graduate House Parking Garage Demolition and Site Restoration

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-6-17
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will demolish the existing two-story (one on-grade and the other below grade) Graduate House Parking Garage with 276 parking spaces located at the corner of Sheetz Street and Wood Street on the West Lafayette campus. Following demolition of the parking garage, the site will be restored to grade with a new courtyard installed as part of this project. The courtyard will provide dock access to Hawkins Hall, the Krannert Building and Young Hall. Existing pedestrian sub-walks connecting the parking garage to surrounding buildings will be kept or rebuilt as necessary, and utilities will be relocated as part of this project.

Need and Purpose of the Program

The parking garage is at the end of its useful life, and the courtyard that will be installed in its place is consistent with the 2018 Giant Leaps campus master plan.

The garage is more than 60 years old and has surpassed the 30-40 year life expectancy for this type and age of structure. Modern parking garages have an approximate 50 year life span. It would require costly and ongoing repairs to remain safe and functional.

This project will be combined with the new Daniels School of Business Building with one design team and one construction manager assigned to the duo based on proximity to each other, interconnectedness of the design process and construction efficiencies of demolishing the garage ahead of the new nearby building construction for utility tie-ins.

Space Utilization

The ASF of the garage will be removed from the campus space inventory, and the new green space will not add to campus ASF.

Comparable Projects

- Marsteller Street Parking Garage Demolition and Parking Lot Installation (2015)
- o \$2,200,000
 - o Five-level precast concrete parking structure built in 1976
 - o Demolished garage was replaced by an asphalt parking lot, lighting and landscaping
 - o Contributing factors of PGGH's higher costs include inflation, demolition of a sub-grade level, restoration of pedestrian tunnels and relocation/restoration of utilities.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Graduate House Parking Garage Demolition and Site Restoration

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Subtotal Current and Future Space	Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)		Space to be Terminated (1)	New Space in Capital Request (2)	
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	335,609	(2,758)	53,413	386,264	-	-	386,264
Class Lab (210,215,220,225,230,235)	771,426	(13,338)	31,933	790,021	-	-	790,021
Non-class Lab (250 & 255)	1,727,892	21,700	3,879	1,753,471	-	-	1,753,471
Office Facilities (300)	2,328,446	(50,874)	44,793	2,322,365	-	-	2,322,365
Study Facilities (400)	462,834	57,092	27,160	547,086	-	-	547,086
Special Use Facilities (500)	1,206,771	12,103	(2,789)	1,216,085	-	-	1,216,085
General Use Facilities (600)	972,034	(25,884)	25,683	971,833	-	-	971,833
Support Facilities (700)	2,843,307	(1,344)	(8,447)	2,833,516	(51,079)	-	2,782,437
Health Care Facilities (800)	218,188	-	(1,900)	216,288	-	-	216,288
Resident Facilities (900)	2,419,333	-	111,146	2,530,479	-	-	2,530,479
Unclassified (000)	129,942	-	-	129,942	-	-	129,942
B. OTHER FACILITIES (Please list major categories)							
TOTAL SPACE	13,415,782	(3,303)	284,871	13,697,350	(51,079)	-	13,646,271

Notes:

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

- Schleman/Stewart Renovation
- Whistler Mechanical Project
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab
- Brown Family Hall Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations
- Life Sciences Phenotyping Greenhouse Building
- PMU 2nd Floor Hospitality Renovation
- Mechanical Engineering Building Renovation

Space planned and funded includes:

- Nursing and Pharmacy Education Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- Birk Nanotechnology Center Clean Room Modernization and Related Renovations
- Chilled Water Capacity Enhancement Projects
- Runway 5-23 and Intermediate Connector Taxiway
- Purdue Airport Terminal
- Grant Street Parking Garage Repairs
- Hillenbrand Residence Hall South
- Shealy Hall Roof Replacement
- Shreve Hall Electrical Enhancements and Replacement
- University and Schleman Halls Strategic Transformer Replacement
- Wetherill Lab Drain and Supply Line Replacement Phase I
- Wesley Foundation Property Purchase & Sale
- Chi Omega Sorority Property Purchase & Ground Lease
- Burke Boilermaker Aquatic Center Mechanical Project
- Mitchell E. Daniels, Jr. School of Business Building

(1) Spaces to be terminated include general use (recreation) space that will be repurposed as utility space.

(2) There is no assignable space added as part of this project.

CAPITAL PROJECT COST DETAILS
Graduate House Parking Garage Demolition and Site Restoration

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-6-17
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	May	2024
Start Construction	July	2024
Occupancy (End Date)	August	2027

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
<u>Planning Costs</u>			
a. Engineering	\$ 290,000		N/A
b. Architectural	\$ 349,000		N/A
c. Consulting	\$ 50,000		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 4,775,000		N/A
b. Mechanical	\$ 1,020,000		N/A
c. Electrical	\$ 1,020,000		N/A
<u>Movable Equipment</u>	\$ -		N/A
<u>Fixed Equipment</u>	\$ 20,000		N/A
<u>Site Development/Land Acquisition</u>	\$ -		N/A
<u>Other (PM fee, material testing)</u>	\$ 476,000		N/A
TOTAL ESTIMATED PROJECT COST	\$ 8,000,000	\$ -	N/A

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
Graduate House Parking Garage Demolition and Site Restoration

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-1-24-6-17</u>
Campus:	<u>West Lafayette</u>	Institutional Priority:	<u>N/A</u>

		<u>GSF OF AREA AFFECTED BY PROJECT</u>		<u>55,000</u>	
<u>ANNUAL OPERATING COST/SAVINGS (1)</u>					
	<u>Cost per GSF</u>	<u>Total Operating Cost</u>	<u>Personal Services</u>	<u>Supplies and Expenses</u>	
1. Operations	\$ (2.21)	\$ (121,515)	\$ (121,515)	\$ -	
2. Maintenance	\$ (0.21)	\$ (11,555)	\$ (9,810)	\$ (1,745)	
3. Fuel	\$ -	\$ -	\$ -	\$ -	
4. Utilities	\$ (0.39)	\$ (21,332)	\$ -	\$ (21,332)	
5. Other	\$ -	\$ -	\$ -	\$ -	
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ (2.81)	\$ (154,402)	\$ (131,325)	\$ (23,077)	

Description of any unusual factors affecting operating and maintenance costs/savings.
 There are no unusual factors for the savings from this project. By demolishing the parking garage, the current operating expenses of the garage are expected to be eliminated.

(1) Based on figures from "Individual Cap Proj Desc" schedule

February 16, 2024

Terre Haute, IN 47809
812-237-7779

The Honorable Eric J. Holcomb
Governor State of Indiana
206 State House
Indianapolis, IN 46204

RE: C-1-24-2-02 Request for Approval of an Expenditure of \$9,780,686 for the Renovation of the Chestnut Building for the Early Childhood Education Development Center

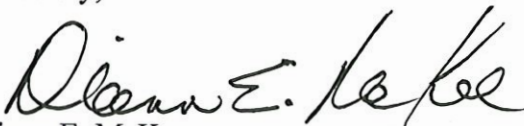
Dear Governor Holcomb:

The Indiana State University Board of Trustees has authorized me to request your consideration and approval of an expenditure of \$9,780,686 for the renovation of the Chestnut Building to house the Early Childhood Education Development Center. Funding for this project consists of a \$1,000,000 READI grant from the Wabash River Regional Development Authority, \$1,000,000 of American Recovery Plan Act (ARPA) funds from the City of Terre Haute, \$3,000,000 of ARPA funds from Vigo County, and a \$4,780,686 grant from the Lilly Endowment through the Colleges and Community Collaboration Initiative.

Constructed in 1970, the Chestnut Building (formerly College of Nursing Building) is located immediately south of the Bayh College of Education. The renovation includes a new elevator, upgraded heating, ventilation, cooling, electrical, and fire suppression systems to meet State childcare licensing and national accreditation standards.

This request is submitted through the Commission for Higher Education and the State Budget Agency. We respectfully request your favorable consideration.

Sincerely,



Diann E. McKee
Senior Vice President for Finance and Administration/University Treasurer

Attachments

cc: Indiana Commission for Higher Education
State Budget Agency

PROJECT SUMMARY AND DESCRIPTION

FOR: Repair and Rehabilitation of Early Childhood Education Development Center

Institution:	<input type="text" value="Indiana State University"/>	Budget Agency Project No.:	<input type="text" value="C-1-24-2-02"/>
Campus:	<input type="text"/>	Institutional Priority:	<input type="text" value="N/A"/>
Previously approved by General Assembly:	<input type="text" value="No"/>	Previously recommended by CHE:	<input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan:	<input type="text" value="Yes"/>		

Project Size:	<input type="text" value="40,083"/> GSF	<input type="text" value="21,691"/> ASF	<input type="text" value="54%"/> ASF/GSF
Net change in overall campus space:	<input type="text" value="-"/> GSF	<input type="text" value="-"/> ASF	

Total cost of the project (1):	<input type="text" value="\$ 9,780,686"/>	Cost per ASF/GSF:	<input type="text" value="\$ 244"/> GSF
			<input type="text" value="\$ 451"/> ASF
Funding Source(s) for project (2):	<input type="text" value="\$ 1,000,000"/>	- Wabash River Regional Development Authority (READI Grant)	
	<input type="text" value="\$ 1,000,000"/>	- City of Terre Haute American Recovery Plan Act (ARPA) Funding	
	<input type="text" value="\$ 3,000,000"/>	- Vigo County American Recovery Plan Act (ARPA) Funding	
	<input type="text" value="\$ 4,780,686"/>	- Lilly Endowment Campus and Community Collaborative	
Estimated annual debt payment (4):	<input type="text" value="-"/>		
Are all funds for the project secured:	<input type="text" value="Yes"/>		

Project Funding
 The project is cash funded with a combination of a READI grant through the Wabash River Regional Development Authority, the City of Terre Haute and Vigo County utilization of ARPA funding, and a Lilly Endowment grant from the Colleges and Community Collaboration Initiative.

Project Cost Justification:
 Similar projects include the renovation of Dreiser Hall estimated at \$336/gsf in 2019 dollars and the renovation of the Fine Arts Building estimated at \$282/gsf in 2017 dollars. Both projects updated building mechanical systems and involved other improvements including electrical systems, fire suppression, elevators, restrooms, and classrooms as those planned for the Early Childhood Development Center.

Estimated annual change in cost of building operations based on the project:	<input type="text" value="\$ -"/>
Estimated annual repair and rehabilitation investment (3):	<input type="text" value="\$ -"/>

(1) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
 (2) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
 (3) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost
 (4) If issuing debt, determine annual payment based on 20 years at 5.75% interest rate
 - If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

FOR: Repair and Rehabilitation of Early Childhood Education Development Center

Institution: Indiana State University
Campus: _____

Budget Agency Project No.: C-1-24-2-02
Institutional Priority: N/A

Description of Project

Constructed in 1970, the Chestnut Building (formerly College of Nursing Building) is located immediately south of the Bayh College of Education. The project involves a renovation of the facility to house the Early Childhood Education Development Center. The first two floors of the building will be used for the ISU Early Childhood Education Center providing quality accredited day care for infants, toddlers, and pre-K age children. The third floor of the building will contain office, storage, and meeting space for the Early Childhood Education Development Center with flex space for pre-K expansion. The fourth floor is allocated to future needs of the facility. Renovation includes upgraded heating, ventilation, cooling, electrical, and fire suppression systems to meet State childcare licensing and national accreditation standards as well as the installation of a new elevator and entry way to serve the needs of the facility including appropriate security. The cost of the renovation is cash funded through a combination of public and private grants. No historically significant buildings will be impacted by this project nor does it impact any other capital improvement projects.

Need and Purpose of the Program

The expansion and relocation of the ISU Early Childhood Education Center has been a priority of the University for several years and is included as a part of the University Campus Master Plan. Based on the engagement of community stakeholders through surveys, focus groups and meetings, public presentations, and an analysis of existing early childhood data for the region and state, a need for expanded access to high quality and affordable childcare opportunities was identified as a priority. The Wabash River Regional Development Authority through a READI grant, the City of Terre Haute and Vigo County through federal American Recovery Plan Act (ARPA) funds, and the Lilly Endowment as a part of the Colleges and Community Collaboration Initiative have allocated funding for this planned expansion. The ARPA funding provided by the City of Terre Haute and Vigo County must be expended no later than December 31, 2026. The cost of childcare provided by the ISU Early Childhood Education Center is covered with user fees. This project will have no financial impact on the cost of attendance to ISU students.

Space Utilization

The project does not include the addition of any new square footage.

Comparable Projects

Comparable projects in the renovation of Dreiser Hall (estimated at \$336/gsf in 2019 dollars) and the renovation of the Fine Arts Building (estimated at \$282/gsf in 2017 dollars). Both projects included a renovation of existing space and mechanical and electrical system improvements.

Background Materials

The renovation of the Chestnut building (formerly College of Nursing) to house the Early Childhood Education Development Center was approved by the Indiana State University Board of Trustees at the February 16, 2024 meeting. The project is cash funded with a combination of a READI grant through the Wabash River Regional Development Authority, the City of Terre Haute and Vigo County utilization of ARPA funding, and a Lilly Endowment grant from the Colleges and Community Collaboration Initiative.

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR (Repair and Renovation of Early Childhood Education Development Center)

Repair and Rehabilitation of Early Childhood Education Development Center C-1-24-2-02	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
A. OVERALL SPACE IN ASE							
Classroom (110 & 115)	120,267			120,267			120,267
Class Lab (210,215,220,225,230,235)	239,994		6,000	245,994			245,994
Non-class Lab (250 & 255)	52,043			52,043			52,043
Office Facilities (300)	466,217			466,217			466,217
Study Facilities (400)	163,731			163,731			163,731
Special Use Facilities (500)	275,360			275,360			275,360
General Use Facilities (600)	352,223			352,223			352,223
Support Facilities (700)	177,514			177,514			177,514
Health Care Facilities (800)	16,685			16,685			16,685
Resident Facilities (900)	717,983			717,983			717,983
Unclassified (000)	6,594			6,594			6,594
B. OTHER FACILITIES (Please list major categories)							
				-			-
TOTAL SPACE	2,588,611	-	6,000	2,594,611	-	-	2,594,611

Notes:

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

-estimated additional space for the Center for Technology, Engineering, and Design authorized by the 2023 Indiana General Assembly.

(2) Should include capital projects requested by the institution based on 2023-25 Capital Request Summary

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

CAPITAL PROJECT COST DETAILS

FOR: Repair and Rehabilitation of Early Childhood Education Development Center

Institution:	Indiana State University	Budget Agency Project No.:	C-1-24-2-02
Campus:		Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	May	2024
Start Construction	June	2024
Occupancy (End Date)	July	2025

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering	\$ 193,081		\$ 193,081
b. Architectural	\$ 358,579		\$ 358,579
c. Consulting			\$ -
<u>Construction</u>			
a. Structure	\$ 3,590,294		\$ 3,590,294
b. Mechanical (HVAC, plumbing, etc.)	\$ 2,532,800		\$ 2,532,800
c. Electrical	\$ 1,706,864		\$ 1,706,864
<u>Movable Equipment</u>			\$ -
<u>Fixed Equipment</u>	\$ 280,000		\$ 280,000
<u>Site Development/Land Acquisition</u>			\$ -
<u>Other (Contingency, Admin. & Legal Fees)</u>	\$ 1,119,068		\$ 1,119,068
TOTAL ESTIMATED PROJECT COST	\$ 9,780,686	\$ -	\$ 9,780,686

(1) Cost Basis is based on current cost prevailing as of: (February 2024)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
FOR: Repair and Rehabilitation of Early Childhood Education Development Center

Institution:	Indiana State University	Budget Agency Project No.:	C-1-24-2-02
Campus:		Institutional Priority:	N/A

ANNUAL OPERATING COST/SAVINGS (1)	GSF OF AREA AFFECTED BY PROJECT	40,083
--	--	--------

	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations	\$ -	\$ -	\$ -	\$ -
2. Maintenance	\$ -	\$ -	\$ -	\$ -
3. Fuel	\$ -	\$ -	\$ -	\$ -
4. Utilities	\$ -	\$ -	\$ -	\$ -
5. Other	\$ -	\$ -	\$ -	\$ -
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ -	\$ -	\$ -	\$ -

Description of any unusual factors affecting operating and maintenance costs/savings.

(1) Based on figures from "Individual Cap Proj Desc" schedule



BALL STATE UNIVERSITY

February 15, 2024

The Honorable Eric Holcomb
Governor, State of Indiana
State House 206
Indianapolis, IN 46204

Subject: Purchase of Seven Properties from Cardinal Properties for Village Redevelopment
Budget Agency Project Number: D-1-24-3-03

Dear Governor Holcomb:

For many decades, Muncie was a thriving city. Manufacturing industries employed thousands of people who earned good wages. A small teachers college evolved to become Ball State University. The Village, the commercial district that is immediately adjacent to the University and to IU Health Ball Memorial Hospital, was a vibrant destination that attracted people of all ages from across Delaware County and East Central Indiana, contributing to the quality of life in Muncie and the region.

Beginning in the 1970's, many of the largest regional employers relocated their manufacturing operations or were able to eliminate jobs due to advanced technology. The ensuing economic decline led to decades of disinvestment in the city and in The Village. The local stores and businesses that had attracted diverse crowds to The Village were replaced by bars, restaurants and stores that catered primarily to the growing number of Ball State students.

Over the last several years, efforts to improve Muncie and the surrounding region have been successful. The city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand the network of local trails, and to promote arts and culture venues and events. Additionally, the presidents of Ball State University and IU Health Ball Memorial Hospital created Next Muncie, a group of twelve community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. In 2018, the University embraced the opportunity afforded by the State to partner with Muncie Community Schools to ensure that every child in Muncie has access to a high-quality public education. All of these efforts are yielding real results that are enhancing the quality of life for residents of Muncie and East Central Indiana.

After years of planning and preliminary investments, Ball State University has developed and begun to execute a comprehensive plan to revitalize The Village. This revitalization plan is a collaborative partnership with elected officials in Muncie and Delaware County and two private development partners, Fairmount Properties and Schahet Hotels. Other local organizations, including the hospital, will also participate in the implementation of the plan. Working together, these parties will ensure that our projects align with and support the city's and the region's current plans.

The vision is to create a best-in-class, multigenerational district driven by arts and culture, entertainment, and **innovation with new dining, retail, service, living, and gathering options** featuring a new select-service hotel within or adjacent to a new state of the art performing arts center. The Village will be restored to a regional amenity providing new entertainment options, along with places to live, work, and dine. The

improved district will be a vibrant corridor connecting campus to downtown Muncie. New residential options in close proximity to the region's two anchor institutions will entice more employees to live nearby, while also encouraging recent graduates and retirees to remain in the community. A new innovation center will leverage University resources to promote entrepreneurship and business expansion in the region. The combined impact of these amenities is expected to significantly increase tax revenues for Muncie, Delaware County, and the State of Indiana from property, sales, and income taxes.

This ambitious endeavor requires defined inputs from the University, the cornerstones of which are outlined by the four capital requests being submitted. All four projects were approved by the Ball State University Board of Trustees at the January 26, 2024 meeting. These projects are subject to your approval after review by the Commission for Higher Education and the State Budget Committee.

This request is for approval to purchase seven properties from an affiliate (Cardinal Properties) of the Ball State University Foundation. Two of the acquired properties will become the site of the University's new Center for Innovation. The other five properties will be ground leased to FPBSU, LLC (Fairmount) at a future date and developed into mixed-use property with retail and apartments. The combined purchase price of all seven properties is \$2,327,400 and will be funded from internal reserves.

Each component of the Village Redevelopment project is essential to the successful revitalization of the area. I respectfully request your approval of this project. If you have any questions, please call me at 765-285-5555.

Sincerely,

BALL STATE UNIVERSITY



Geoffrey S. Mearns
President

Enclosures

cc: Commission for Higher Education
State Budget Agency

PROJECT COST SUMMARY

FOR: Purchase of Seven Properties from Cardinal Properties for Village Redevelopment

Institution: <input type="text" value="Ball State University"/>	Budget Agency Project No.: <input type="text" value="D-1-24-3-03"/>
Campus: <input type="text" value="Muncie"/>	Institutional Priority: <input type="text" value="1"/>
Previously approved by General Assembly: <input type="text" value="No"/>	Previously recommended by CHE: <input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan: <input type="text" value="Yes"/>	

Project Size: <input type="text" value="20,874"/> GSF (1) <input type="text" value="14,612"/> ASF (2) <input type="text" value="70.0%"/> ASF/GSF
Net change in overall campus space: <input type="text" value="11,628"/> GSF <input type="text" value="8,140"/> ASF

Total cost of the project (3): <input type="text" value="\$ 2,327,400"/>	Cost per ASF/GSF: <input type="text" value="\$ 111"/> GSF
	<input type="text" value="\$ 159"/> ASF

Funding Source(s) for project (4):	Amount	Type
	<input type="text" value="\$ 2,327,400"/>	<input type="text" value="Operating Funds - Reserves"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>

Estimated annual debt payment (6):	<input type="text" value="0"/>
Are all funds for the project secured:	<input type="text" value="Yes"/>

Project Funding:
 The purchase is being fully funded by Operating Funds-Reserves and all funds are secured.

Project Cost Justification
 The purchase price of these properties is the same as the original acquisition cost by Cardinal Properties, an affiliate of the Ball State University Foundation. Two of the seven parcels include structures, the square footage of which is reflected in the project size above. One of these structures will be demolished upon acquisition. The other is included in change in campus space above, as it is not expected to be demolished until June 2025. These properties, pending State approval, will be acquired by July 2024.

Estimated annual change in cost of building operations based on the project:	<input type="text" value="\$ -"/>
Estimated annual repair and rehabilitation investment (5):	<input type="text" value="\$ -"/>

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION
FOR: Purchase of Seven Properties from Cardinal Properties for Village Redevelopment

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-3-03
Campus:	Muncie	Institutional Priority:	1

Description of Project

Ball State University shall, subject to all governmental approvals, enter into a Purchase Agreement with Cardinal Properties, Inc., to acquire seven properties located in The Village. The seven properties are located at 410 N. McKinley Avenue, 419 N. Calvert Street, 409 N. Calvert Street, 405 N. Calvert Street, 401 N. Calvert Street, 526 N. Martin Street and 518 N. Martin Street..

Need and Purpose of the Program

A Vibrant Past - Muncie was a thriving city for many decades. The natural gas boom of the late 19th century produced significant industrial growth. For nearly 100 years, the Ball Corporation, Borg Warner, General Motors, Delco Battery, and Westinghouse employed thousands of people who earned good wages. During this time, a small teachers college evolved to become Ball State University, an institution with approximately 20,000 students and approximately 3,500 employees. As the institution grew, a commercial district located immediately adjacent to campus attracted people of all ages from across Delaware County and East Central Indiana. This district, which became known as The Village, included department stores, clothing stores, restaurants, grocery stores, and a drug store. The Village contributed to the quality of life in Muncie and the region.

The Current State - Beginning in the 1970s, the economy in Muncie began to decline. Many of the large companies moved their manufacturing facilities to other regions in the country. The manufacturers who remained incorporated advanced technology, enabling them to eliminate jobs while growing output. As a result of these two factors, the number of good jobs in Muncie and Delaware County declined significantly. In the wake of these economic and demographic changes, the nature of The Village also changed. Local stores and businesses closed. They were replaced by bars, restaurants, and stores that catered primarily to the growing number of Ball State students.

A Rebirth - Since 2010, city and regional plans have emphasized the need to invest in the quality of life in Muncie in order to attract and retain residents and drive economic growth. As a result, the city and local organizations, including the four largest foundations, have made investments to improve the vibrancy of downtown Muncie, to expand our network of trails, and to promote arts and culture venues and events. In 2018, the university president and the president of IU Health Ball Memorial Hospital created Next Muncie. This group consists of 12 community leaders who work collaboratively to advocate for projects and programs that benefit the people of Muncie. Since Next Muncie was formed five years ago, its members have helped advance several key initiatives, including a new downtown, riverfront apartment complex; a downtown condominium conversion in the former county jail and courthouse; and the construction of a new downtown YMCA immediately adjacent to Muncie Central High School. In 2018, the university also embraced the opportunity to partner with Muncie Community Schools (MCS). The principal goal of the historic partnership is to ensure that every child in Muncie has access to a high-quality public education. In just five years, MCS has stabilized student enrollment, renovated several schools, and begun implementing strategies that will produce significant, sustained outcomes for MCS students. One strategy is increasing teacher compensation by more than 30%, which has enabled MCS to attract and retain outstanding teachers. This partnership is a vital component of the community's plan to enhance quality of life for all of our citizens.

Planning and Preparation for a Brighter Future - For more than 10 years, the university has been developing a plan to revitalize The Village. The preparations include:

- Since 2012, the university and university foundation have invested more than \$5.3 million to acquire property in The Village. These sites are the main components of the current plan for revitalization.
- During that same period of time, university leaders visited more than 25 colleges and universities across the country to learn how those institutions have successfully revitalized commercial districts adjacent to their campuses.

-In 2013, the Delaware-Muncie Metropolitan Plan Commission adopted a zoning overlay district in The Village. This zoning overlay district establishes stronger, more consistent architectural design requirements in the district.

-In 2015, the university completed a comprehensive campus master plan. This plan includes "Engaging The Village" as one of its eight primary recommendations, because the university's leadership recognized the importance of investing in amenities adjacent to the university's campus.

-In 2019, Ball State's Board of Trustees approved a new long-term strategic plan. One of the five goals in this plan is the university's commitment to the communities that the university serves: "As a community-engaged institution, our university is internationally recognized for mobilizing partnerships that revitalize and sustain our city and our region." One of the strategic imperatives under this goal expressly states the university's aspiration to revitalize The Village: "The amenities and vibrancy of The Village and surrounding neighborhoods are attractive to students, faculty, staff, and community members as a result of the implementation of a long-term, phased plan to enhance quality of place."

-In 2021, the university updated its campus master plan. Once again, the university emphasized the importance of revitalizing The Village in order to honor the university's commitment to the city and the region.

Our Principal Goals - Before embarking on a process to select a private company to serve as the university's development partner, the university articulated four principal goals for this ambitious project:

-To create a more vibrant and dynamic environment near campus in order to attract and retain employees to Muncie's two anchor institutions and to entice more students to enroll at Ball State.

-To encourage more Ball State students to live and work in Muncie and Delaware County after they graduate.

-To complement the ongoing revitalization of downtown Muncie by improving the physical connection between these two commercial districts.

-To enhance population growth in Muncie and Delaware County by transforming The Village into a commercial district that is more appealing to people of all ages and varied interests.

These goals are mutually beneficial to the university and to the communities that the university serves.

Revitalizing the Village - Ball State University and Fairmount Properties (FPBSU, LLC) have mutually agreed on a plan to revitalize The Village. The terms and conditions of this working relationship were established in a Development Agreement between both parties executed on June 16, 2023. That plan will create a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options featuring a new hospitality use within or adjacent to a new state of the art catalytic anchor. The Performing Arts Center will serve as this catalytic anchor for The Village revitalization by providing user-friendly spaces for teaching and learning by day, and highly experiential spaces for audiences by night.

Space Utilization

Site 2 will eventually be ground-leased to the development partner so that a mixed-use development can be constructed at the developer's expense. The development will include retail on the ground floor, apartments on the upper floors, and on-site parking.

Comparable Projects

The properties are being purchased from Cardinal Properties at their original acquisition costs, despite the increase in real estate values that have occurred since their original acquisition.

Background Materials

This project should be considered in conjunction with the other three components of the Village Redevelopment project that are being presented at this time. Taken together, they represent the first step in a project that is expected to transform The Village area adjacent to campus into a best-in-class, multigenerational district driven by arts and culture, entertainment, and innovation with new dining, retail, service, living, and gathering options. More information on the revitalization plan for The Village is attached.

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Purchase of Seven Properties from Cardinal Properties for Village Redevelopment

D-1-24-3-03	Current Campus Totals			Capital Request			
Purchase of Seven Properties from Cardinal Properties for Village Redevelopment	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	142,366			142,366			142,366
Class Lab (210,215,220,225,230,235)	461,451		21,000	482,451			482,451
Non-class Lab (250 & 255)	63,365			63,365			63,365
Office Facilities (300)	685,623			685,623			685,623
Study Facilities (400)	200,477			200,477			200,477
Special Use Facilities (500)	526,215		5,000	531,215			531,215
General Use Facilities (600)	314,202			314,202			314,202
Support Facilities (700)	101,743			101,743			101,743
Health Care Facilities (800)	9,281			9,281			9,281
Resident Facilities (900)	1,763,662			1,763,662		8,140	1,771,802
Unclassified (000)	78,353			78,353			78,353
B. OTHER FACILITIES							
Parking Garages	469,752			469,752			469,752
TOTAL SPACE	4,816,490	-	26,000	4,842,490	-	8,140	4,850,630

Notes:

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

The conversion of solarium space at Architecture Building into new studios	21,000
The repurposing of two-story space at University Theater to split floors	5,000

(2) New space in capital request: Apartment complex at 410 N. McKinley (will be demolished in June 2025) 8,140

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

CAPITAL PROJECT COST DETAILS

FOR: Purchase of Seven Properties from Cardinal Properties for Village Redevelopment

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-3-03
Campus:	Muncie	Institutional Priority:	1

ANTICIPATED CONSTRUCTION SCHEDULE

	Month	Year
Bid Date	N/A	N/A
Start Construction	N/A	N/A
Occupancy (End Date)	N/A	N/A

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)		Project Cost
<u>Planning Costs</u>				
a. Engineering			\$	-
b. Architectural			\$	-
c. Consulting			\$	-
<u>Construction</u>				
a. Structure			\$	-
b. Mechanical (HVAC, plumbing, etc.)			\$	-
c. Electrical			\$	-
d. Demolition of Existing Facilities			\$	-
<u>Movable Equipment</u>			\$	-
<u>Fixed Equipment</u>			\$	-
<u>Site Development/Land Acquisition</u>			\$	-
<u>Other (Legal/Administra)</u>			\$	-
TOTAL ESTIMATED PROJECT COST	\$ -	\$ -	\$	-

(1) Cost Basis is based on current cost prevailing as of: January 2024, with escalation of 4% per year to midpoint of construction.

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
FOR: Purchase of Seven Properties from Cardinal Properties for Village Redevelopment

Institution:	Ball State University	Budget Agency Project No.:	D-1-24-3-03
Campus:	Muncie	Institutional Priority:	1

				GSF OF AREA AFFECTED BY PROJECT	20,874
ANNUAL OPERATING COST/SAVINGS (1)					
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses	
1. Operations	\$ -	\$ -			
2. Maintenance	\$ -	\$ -			
3. Fuel	\$ -	\$ -			
4. Utilities	\$ -	\$ -			
5. Other	\$ -	\$ -			
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS		\$ -	\$ -	\$ -	

Description of any unusual factors affecting operating and maintenance costs/savings.
 No additional operating costs assumed. Of the two structures on the properties to be acquired, one will be demolished immediately, and the other will be demolished within one year of acquisition.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

**CAREER AND TECHNICAL
EDUCATION (CTE) ITEM A:**

CTE: Perkins State Plan Update

Background

Context: The Perkins State Plan is required by the U.S. Department of Education as a component of Indiana receiving federal Perkins funds. The State plan is due in May and covers the next four years. It primarily focuses on how Indiana will utilize Perkins funding over the period covered by the Plan. A modification to the Plan is required after 2 years.

Purpose: The Commission will be provided an overview of the draft Perkins State Plan, which will be posted for public comment on March 9th. The overview provided will serve to highlight key items within the state plan, including any significant changes from the prior submission. Commission members will have the opportunity to gain greater clarity around the State Plan prior to being asked to approve the final document at the May meeting.

Progress To Date: The Commission’s CTE staff with the assistance of other agency staff have been working to develop a new State Plan for the last few months. This has involved seeking out stakeholder feedback through a variety of means, including a CTE advisory council with leaders across industry, government, and education. The draft plan was reviewed by agency leadership and other trusted stakeholders prior to being posted for public comment.

Next Steps: Over the next couple months, the CTE team will be finalizing the State Plan based off public comment. The State Plan will be shared in full with the Commission prior to the May meeting. Following the May meeting, the State Plan will be submitted to the U.S. Department of Education.

Supporting Documents

Additional background information (provided)
Presentation slide deck (to be distributed)

CTE STRATEGIC PLAN AND PERKINS V STATE PLAN

March Commission Meeting

March 14, 2024

Perkins V State Plan:

Draft posted online for public comment	March 8, 2024
Overview presented at March Commission Meeting	March 14, 2024
Response to Public Comment	April 2024
Presented to Commission for Ratification	May 9, 2024
Submitted to US Department of Education	May 10, 2024

CTE Strategic Plan:

Advisory Council Meeting	June 2024
Finalize Strategic Plan	July 2024
Launch Strategic Plan	August 2024

Overview:

The Perkins State Plan is required by the U.S. Department of Education as a component of Indiana receiving federal Perkins funds. The State plan is due in May and covers the next four years. It primarily focuses on how Indiana will utilize Perkins funding over the period covered by the Plan. A modification to the Plan is required after 2 years.

Values / Commitments:

Quality Programs and Instructors
Accessibility
Actionable Data
Continuous Improvement and Collaboration
Meaningful Public – Private Partnerships
Maximizing Fiscal Impact

Highlights:

Alignment with the Workforce Innovation and Opportunity Act (WIOA) plan and the HOPE Agenda
Perkins Budget for FY 2024
Usages of Leadership Funds

- Strategic Priorities

Changes to State Determined Performance Levels
Updated Size, Scope, and Quality Definitions

Please visit our [website](#) to view a draft of the Perkins State plan after March 8, 2024.

Indiana CTE Strategic Plan

Timeline:

Once the Perkins State Plan is submitted, the focus will turn to developing strategies to address strategic plan priority areas, gaining additional stakeholder buy-in, and developing a communications strategy. Strategic Plan launch is scheduled for August with the start of the 2024-2025 school year. The Strategic Plan will be a more public-facing document outlining Indiana's priorities for Career and Technical Education (CTE) for the next 4 years.

Mission:

CTE, through integrated career pathways focused on providing opportunities for college and career coaching and navigation, college credit and credential attainment, and participation in work-based learning will have a measurable impact on an individual's economic and social mobility and prosperity outcomes and an employer's access to a well-qualified talent pipeline necessary to start and grow a business.

Purpose:

CTE is an integral part of Indiana's talent development system. The state's CTE team is housed at the Indiana Commission for Higher Education and helps to connect industry, workforce development, and education.

The Carl D. Perkins – Strengthening CTE for the 21st Century Act (Perkins V) is an important element to help set the vision and provide critical operational support for CTE. However, Indiana's investment in CTE and its talent development system goes far beyond the federal funds provided through Perkins V. Having a strategic plan for the entire CTE system and how it interacts with other parts of the talent development system will help to ensure CTE has a positive impact on the entire system and to maximize the fiscal impact of Indiana's investment.

Indiana's CTE Strategic Plan will:

- Illustrate CTE's Alignment with the Talent Development System
- Outline Key Priority Areas and Strategies
- Identify Opportunities for Stakeholder Involvement
- Define Measures of Success

Priorities:

The below priority areas have been primarily identified through meetings with our CTE Strategic Plan Advisory Council.

Priority Area	Potential Strategies
<p>1. <u>College and Career Coaching and Navigation</u> (Navigating personal college and career journey)</p> <ol style="list-style-type: none"> a. Grow student exploration opportunities prior to selecting a pathway, including through middle school courses b. Increase parent’s and student’s awareness of the benefits of CTE and their opportunity to participate c. Providing resources to support educators in providing career coaching and navigation 	<ul style="list-style-type: none"> • Developing standards for all Principles courses • Increase introductory course access at the 8th grade level • Revamp/design middle school courses • Use Perkins funds for middle school exploration • CTE professional development – Career Ready Certificate • Complete 1-page overviews of all CTE pathways, including a career ladder • Refresh CTE Career Guide
Priority Area	Potential Strategies
<p>2. <u>Employer Engagement</u> (Co-development of talent)</p> <ol style="list-style-type: none"> a. Show alignment between labor market needs and CTE b. Increase awareness of the value and benefits of partnering with CTE programs as co-developers of talent c. Increase work-based learning opportunities for students 	<ul style="list-style-type: none"> • Allocating funding towards the Talent Pipeline Management tool • Increasing the expectations of local district’s CTE Advisory Boards • Improving the Employer Connector Tool • Developing a WBL/CTE Employer Resource kit • Launching a WBL Resource Hub • Continuing to deploy Education Readiness Grants for high-demand programs
Priority Area	Potential Strategies
<p>3. <u>CTE Accessibility</u> (removing barriers and decreasing performance gaps)</p> <ol style="list-style-type: none"> a. Work to close performance gaps between different student populations b. Increase student access to/enrollment in CTE programs without regard to geography or special population status c. Support schools and career centers to provide CTE programs aligned to HWHD careers 	<ul style="list-style-type: none"> • Evaluating the process for becoming a CTE district, including potentially requiring a postsecondary partner. • Highlighting and increasing awareness of alternative/innovative delivery models • Utilizing the CSA program to increase accessibility to CTE programming • Continue utilizing the annual district Performance Labs and Comprehensive Local Needs Assessment process to identify enrollment & performance gaps

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

DISCUSSION ITEM A:

2024-2025 Frank O’Bannon Grant Schedule of Awards

Staff Recommendation

Adopt the amounts included in the attached 2024-2025 Frank O’Bannon Grant Schedule of Awards.

Background

IC 21-12-1.7-3(a) requires the Commission to annually adopt a schedule of award amounts for the Higher Education Award (HEA) and Freedom of Choice grant (FOC) – together known as the Frank O’Bannon Grant. The schedule must provide award amounts on the basis of the student’s financial need and the type of institution the student is attending. Per IC 21-12-1.7-3(c), when renewing HEA or FOC, a student earning at least 30 credit hours or the equivalent in the year the student last used aid must receive a larger award. This larger award is referred to as the “On-Time” amount. First-time recipients are initially eligible for the larger award. Students earning less than 30 credit hours, but more than 24 credit hours are eligible for a reduced amount. The reduced award is referred to as the “Full-Time” amount.

Supporting Document

2022-2023 Frank O’Bannon Grant Schedule of Awards (DRAFT)

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

ACADEMIC AFFAIRS ITEM A:

Updating the Commission's Policies on Regional Campuses and Purdue University Fort Wayne

Staff Recommendation

That the Commission for Higher Education approve modifications to the following Commission policies, in accordance with the background information provided in this agenda item and as reflected in the attachments:

- Policy on Regional Campus Roles and Missions
- Policy on Purdue University Fort Wayne

Background

Pursuant to the Commission's statutory authority to define the educational missions of public postsecondary institutions, the Commission has developed policies for the Regional Campuses and for Purdue University Fort Wayne. The Commission first approved policies for these campuses in 2010 and has updated them on several occasions, most recently in June 2019.

The primary reason for the proposed update is the need to refine language in the Policies pertaining to the offering of doctoral programs, a conclusion that was reached because of reviewing the new program proposal from Purdue University Northwest to offer a Doctor of Psychology. While the Commission determined this program was consistent with the current Policies, resulting in approval of the Psy.D. in July of last year, it was felt some refinement to the language would provide better guidance on future program proposals.

More specifically, the proposed new language provides more openness to the offering of a professional practice doctoral program through collaboration with a research-intensive campus. The new language would also add greater specificity to the kinds of professional practice doctoral programs that might be offered independently by a Regional Campus and Purdue Fort Wayne.

Closer scrutiny to the sections of the Policies dealing with programmatic offerings and transfer of credit also has led some proposed editorial changes. For example, the current Policies refer to the Statewide Transfer General Education Core, which has been rebranded the Indiana College Core. In addition,

slightly different language and formats were used referring to undergraduate and master's programs, which the proposed changes would bring into alignment. In fact, if approved, the language on programmatic offerings and transfer of credit would be exactly the same in the two Policies.

After much discussion between Commission staff and representatives from Indiana University and Purdue University, a consensus was reached about suggested changes, which were discussed by the Academic Affairs and Quality Committee as a "first reading" at its January 22, 2023 meeting. Following this discussion, the institutions and Commission staff met again to make further refinements, which were presented to the AA&Q Committee at its February 26th meeting, resulting in the proposed changes before the Commission for action (see Appendices A and B).

Supporting Documents

Appendix A, Proposed New Language for CHE Policies on Regional Campuses and Purdue Fort Wayne

Appendix B, Sections 2 and 3 To Be Replaced with New Language, Policy on Regional Campus Roles and Missions

Appendix C, Section 2 To Be Replaced with New Language, Policy on Purdue University Fort Wayne

*(Proposed language exactly the same in both Policies,
except for "Regional Campus" or "Purdue University Fort Wayne" references)*

Policy on Regional Campus Roles and Missions

- 1) Educational Responsibility:** The primary educational responsibility of Regional Campuses is to offer baccalaureate degree programs as well as master's programs that meet state and regional needs. Under appropriate circumstances aligned to clearly demonstrated regional workforce demand, a Regional Campus may be approved to offer a professional practice doctoral program either (a) collaboratively with a doctoral-intensive research campus or (b) independently for programs in Health, Technology, or additional disciplines that prepare graduates to meet accreditation, licensure, or certification requirements for employment. Associate degree programs may be offered on an exceptional basis if a clear workforce need exists, and it has been determined that the program cannot be offered at community colleges. Regional Campuses facilitate seamless transfer to and from other institutions through the Core Transfer Library, the Indiana College Core, and the Transfer Single Articulation Pathways.

Policy on Purdue Fort Wayne

- 1) Educational Responsibility:** The primary educational responsibility of Purdue University Fort Wayne is to offer baccalaureate degree programs as well as master's programs that meet state and regional needs. Under appropriate circumstances aligned to clearly demonstrated regional workforce demand, a Regional Campus may be approved to offer a professional practice doctoral program either (a) collaboratively with a doctoral-intensive research campus or (b) independently for programs in Health, Technology, or additional disciplines that prepare graduates to meet accreditation, licensure, or certification requirements for employment. Associate degree programs may be offered on an exceptional basis if a clear workforce need exists, and it has been determined that the program cannot be offered at community colleges. Purdue University Fort Wayne facilitates seamless transfer to and from other institutions through the Core Transfer Library, the Indiana College Core, and the Transfer Single Articulation Pathways.



INDIANA COMMISSION *for* HIGHER EDUCATION

Policy on Regional Campus Roles and Missions

June 13, 2019

Preamble

The Indiana Commission for Higher Education regards the Regional Campuses of Indiana University and Purdue University as valuable contributors to the state's system of higher education. The Regional Campuses differ significantly from one to another. Recognizing the unique characteristics of each Regional Campus, the principles outlined on the pages that follow are designed as overarching directions that reflect a more efficient and effective role for Regional Campuses in Indiana's system of higher education in alignment with the Commission's Reaching Higher strategies advancing student access, affordability, and quality education while increasing college completion rates and productivity.¹ This version of the document has been updated to reflect changes in Indiana's system of higher education and enhanced inter-campus collaboration opportunities, especially those allowed by technology.

For the purposes of this policy, Regional Campuses shall be defined as:

- *Indiana University-East*
- *Indiana University-Kokomo*
- *Indiana University-Northwest*
- *Indiana University-South Bend*
- *Indiana University-Southeast*
- *Purdue University-Northwest*

Between the late 1960s and late 1980s, the Regional Campuses, in addition to being regional four-year branches of Indiana University and Purdue University, effectively played the role of community colleges, offering associate's degrees and serving as the state's access institutions. In 1987, the Commission for Higher Education approved the first four Associate of Science (AS)/transfer oriented degree programs at the Indiana Vocational Technical College (now Ivy Tech Community College of Indiana). With increasing admissions standards at the Indiana University and Purdue University flagship campuses, and exploding enrollment at the community college level, Regional Campuses are playing an increasingly important role serving Hoosiers with high quality, low-cost baccalaureate degree programs and limited graduate programs, filling a vital niche in Indiana's system of higher education. Research and scholarly activities related to faculty teaching responsibilities and local and regional needs are of special significance at regional campuses.

The missions of Indiana's Regional Campuses should reflect the following defining characteristics:

¹ This includes *Reaching Higher: Strategic Directions for Indiana* (2007), *Reaching Higher: Strategic Initiatives for Higher Education in Indiana* (2008), and *Reaching Higher Achieving More: A Success Agenda for Higher Education in Indiana* (2012).

- 1) **Profile:** Indiana’s six Regional Campuses serve both recent high school graduates and adults. While a portion of the Regional Campus student population enrolls on a part-time basis, full-time enrollment is growing and now represents nearly two-thirds of the student population. A majority of students attending Regional Campuses are either first-generation, low-income students or students balancing their education with work and family. Regional Campuses should offer courses through a variety of flexible delivery models and scheduling options which are designed to accommodate the unique needs of their students. The goal should be to enable as many students as possible, including those with work and family obligations, to complete a full-time course load and graduate on-time. Effective partnerships between high schools and regional campuses can improve both completion and on-time graduation by increasing the number of students who enter college with credits earned in high school through dual credit, concurrent enrollment or Advanced Placement.
- 2) ~~**Educational Responsibility:** The primary educational responsibility of Regional Campuses is to offer baccalaureate degree programs. Associate degree programs may be offered on an exceptional basis if a clear workforce need exists and it has been determined that the program cannot be offered at the community colleges. Regional Campuses facilitate seamless transfer to and from other institutions through the Core Transfer Library, the Statewide Transfer General Education Core and the Transfer Single Articulation Pathways.~~
- 3) ~~**Graduate Programs:** Regional Campuses may offer select masters programs to meet state and regional needs. Under appropriate circumstances aligned to workforce demand, a Regional Campus may be approved to serve as the delivery site of a professional practice doctoral program that is offered collaboratively with a doctoral-intensive research campus already authorized to offer such a program or, under exceptional circumstances, independently by the Regional Campus.~~
- 4) **Primary Geographic Responsibility:**
 - a. Indiana University-East – East Central Indiana/Western Ohio
 - b. Indiana University-Kokomo – Central/North Central Indiana
 - c. Indiana University-Northwest – Northwest Indiana/Greater Chicago Area
 - d. Indiana University-South Bend – North Central Indiana/Southern Michigan
 - e. Indiana University-Southeast – Southeast Indiana/Greater Louisville (KY) Area
 - f. Purdue University--Northwest – Northwest Indiana/Greater Chicago Area
- 5) **Governance:** The six Regional Campuses are governed by two institutions. Five are Regional Campuses of Indiana University, and one is a Regional Campus of Purdue University. The Boards of Trustees of Indiana University and Purdue University, in collaboration with central university administration located at those institutions’ Main Campuses, determine the utilization of resources at the Regional Campuses. **Chancellors appointed by institutional Presidents and Trustees manage the Campuses.** The central university administrations of Indiana University and Purdue University are encouraged to develop accountability measures for the Regional Campuses in coordination with the Regional Campus administration and that are aligned to the Commission’s strategic plan. These measures should include graduation rates, time to graduation, efficiency measures, tuition and fees as a percentage of revenue, and other such outcome indices of academic and institutional performance. Regional Campuses should be held responsible and accountable for their achievement

- 6) **Admissions Policy:** Qualifying documents are required (high school record, rank, GPA, etc.) but a large majority of students are admitted. Selective admissions criteria may be used for certain academic programs. Beginning in 2011, recent high school graduates are required to have a Core 40 high school diploma for admission to a Regional Campus.
- 7) **Developmental/Remedial Education:** Regional Campuses are encouraged to address student-preparedness issues through tutoring, mentoring and other programs to help students overcome skill deficiencies while placed in credit-bearing courses. A Regional Campus may partner with the community colleges to offer remediation concurrent with student enrollment in credit-bearing courses at the Regional Campus. Regional Campuses should not offer classroom-based, stand-alone remediation, which is the responsibility of the community colleges.
- 8) **Student Residences:** To promote affordability and reduce campus costs, Regional Campuses should limit on-campus residence to 10% of enrollment unless on-campus housing can be provided at a lower cost than off-campus housing without adding financial liability to the institution or the State.
- 9) **Finance:** The Indiana General Assembly provides direct appropriations to each Regional Campus based on recommendations from the Commission that are developed in consultation with the Main Campuses. One component of the appropriation is the State's performance funding formula, which offers Regional Campuses more direct control over their appropriations since success in the performance metrics leads directly to a larger appropriation in the formula's output. Regional Campuses should actively pursue policies that improve metric outcomes to earn a larger appropriation.

Expectations of Regional Campuses within Indiana's System of Higher Education:

- **Degree Completion:** Regional Campuses should significantly improve completion rates to ensure that students' investments and the State's investment are worthwhile and result in high quality academic credentials. A key strategy for Regional Campuses should be to offer varying delivery models and schedules that help adult, at-risk and working students overcome scheduling and preparedness challenges and promote opportunities for these student populations to attend college full-time and earn their degrees on-time or at an accelerated pace.
- **Affordability:** Institutions and their Regional Campuses should place affordability at the forefront of decisions around resource allocation.
- **Synergy with Indiana's Community Colleges:** The success of Regional Campuses will depend on collaborative work with the community colleges. Successful collaborations will have the following characteristics:
 - Community colleges are delivering all stand-alone remediation, though collaboration with a Regional Campus could be used to deliver remediation concurrent with credit-bearing courses taken at the Regional Campus.
 - Regional Campuses have eliminated all associate degrees that are duplicative with associate degrees offered by the community college in that region.
 - Regional Campuses have transfer scholarships in place and available for community college students and/or graduates, and seamless transfer opportunities through the Statewide General Education Core and Single Articulation Pathways, as well as passport

programs and referral opportunities. The Regional Campus and community colleges should develop and provide common messaging regarding transfer policies with a level of detail that enables students to accurately predict which courses will transfer and in what way.

- Community colleges and Regional Campuses should better differentiate institutional missions, integrate services, improve completion, and increase the effectiveness and efficiency of the campuses.
- **Synergy with Main Campuses and Other Regional Campuses:** Due to limited resources and the need for improved efficiency, it is necessary that Regional Campuses and their respective Main Campuses work in close collaboration, particularly in the delivery of academic programs and campus administration.
 - Regional Campuses must work closely together to deliver education to the greatest number of students in the most efficient way, which may include sharing of faculty, facilities, and administration.
 - Regional Campuses should embrace a comprehensive and collaborative strategy for utilizing online and blended courses to provide more degree opportunities for students.
 - Synergies between the Main Campus and other Regional Campuses would ensure the availability and capacity of required courses to enable students to graduate on-time.
- **Meeting the Needs of the Economy:** Regional Campuses should continue to put local economies and workforce needs at the forefront of their success agenda.
 - Regional Campuses should expand efforts to partner with local employers to provide college-to-work pathways.
 - Regional Campuses should accelerate options that award college credit to students for prior learning and demonstrated work experience.



INDIANA COMMISSION *for* HIGHER EDUCATION

Policy on Purdue University Fort Wayne

June 13, 2019

Preamble

Purdue University Fort Wayne serves the second largest city in the state with a significant presence of business and industry. This campus is charged to carry out all of higher education's traditional values in teaching, research, and professional service. Purdue University Fort Wayne is Indiana's Flagship Comprehensive Campus for the Fort Wayne Metropolitan Region serving a distinctive role to provide leadership to the region by using its resources to improve the region's quality of life. It does so in alignment with the Commission's Reaching Higher strategies advancing student access, affordability, and quality education while increasing college completion rates and productivity. As such, it has been designated a Metropolitan University.

The mission of Purdue University Fort Wayne should reflect the following defining characteristics:

1) Profile: Purdue University Fort Wayne serves a diverse student body including both recent high school graduates and adults, many of whom are first generation students, low income students, or other students balancing their education with work and family obligations. Purdue University Fort Wayne should offer courses through a variety of flexible delivery models and scheduling options which are designed to accommodate the unique needs of their students. The goal should be to enable as many students as possible, including those with work and family obligations, to complete a full-time course load and graduate on-time. Effective partnerships between high schools and Purdue University Fort Wayne can improve both completion and on-time graduation by increasing the number of students who enter college with credits earned in high school through dual credit, concurrent enrollment or Advanced Placement.

~~**2) Educational Responsibility:** The primary educational responsibility of Purdue University Fort Wayne is to offer baccalaureate degree programs as well as an array of master's degrees. Under appropriate circumstances aligned to workforce demand, Purdue University Fort Wayne may be approved to serve as the delivery site of a professional practice doctoral program that is offered collaboratively with a doctoral-intensive research campus already authorized to offer such a program or, under exceptional circumstances, independently by Purdue University Fort Wayne. Purdue University Fort Wayne facilitates seamless transfer to and from other institutions through the Core Transfer Library, the Statewide Transfer General Education Core and the Transfer Single Articulation Pathways.~~

3) Governance: In accordance with the Realignment Agreement, and except as described in

Article II, Section F of the Program Transfer Agreement specifying the management of IU Medical School, Purdue shall be the University with the full power, authority and responsibility to manage and operate the Fort Wayne Campus and do all things necessary and proper for such purpose.

- 4) **Admissions Policy:** Qualifying documents are required (high school record, rank, GPA, etc.) but a large majority of students are admitted. Selective admissions criteria may be used for certain academic programs. Beginning in 2011, recent high school graduates were required to have a Core 40 high school diploma for admission to Purdue University Fort Wayne.
- 5) **Developmental/Remedial Education:** Purdue University Fort Wayne is encouraged to address student-preparedness issues through tutoring, mentoring and other programs to help students overcome skill deficiencies while placed in credit-bearing courses. Purdue University Fort Wayne may partner with the community colleges to offer remediation concurrent with student enrollment in credit-bearing courses at Purdue University Fort Wayne. Purdue University Fort Wayne should not offer classroom-based, stand-alone remediation, which is the responsibility of the community colleges.
- 6) **Student Residences:** To promote affordability and reduce campus costs, Purdue University Fort Wayne may offer sufficient on-campus housing to meet the student demand for such housing, subject to the existing approval requirements for any new capital requests including Commission and State Budget Committee review.
- 7) **Finance:** The Indiana General Assembly provides direct appropriations to Purdue University Fort Wayne based on recommendations from the Commission that are developed in consultation with Purdue University. One component of the appropriation is the State's performance funding formula, which offers Purdue University Fort Wayne more direct control over its appropriations since success in the performance metrics leads directly to a larger appropriation in the formula's output. The Commission shall ensure the performance funding formula metrics are appropriate for the characteristics of the student body enrolled full-time and part-time at Purdue University Fort Wayne.
- 8) **Research:** Purdue University Fort Wayne facilitates both basic and applied research primarily but not limited exclusively to research having the potential to advance the quality of life in the region in which Purdue University Fort Wayne is located and the competitiveness and recognition of the region's individuals, businesses, and other entities in global commerce and affairs.
- 9) **Degree Completion:** Purdue University Fort Wayne should significantly improve completion rates to ensure that students' investments and the State's investment are worthwhile and result in high quality academic credentials. A key strategy for Purdue University Fort Wayne should be to offer varying delivery models and schedules that help adult, at-risk and working students overcome scheduling and preparedness challenges and promote opportunities for these student populations to attend college full-time and earn their degrees on-time or at an accelerated pace
- 10) **Affordability:** Purdue University Fort Wayne should place affordability at the forefront of decisions around resource allocation.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

ACADEMIC AFFAIRS ITEM B:

Academic Degree Program for Expedited Action

Staff Recommendation

That the Commission for Higher Education approve the following degree programs, in accordance with the background information provided in this agenda item:

- Bachelor of Fine Arts in Art to be offered by the University of Southern Indiana
- Master of Social Work to be offered by Purdue University Northwest

Background

The Academic Affairs and Quality Committee discussed these programs at its February 26, 2024, meeting and concluded that the proposed programs could be placed on the March 9, 2024, agenda for action by the Commission as expedited action items.

Supporting Document

Academic Degree Programs on Which Staff Propose Expedited Action February 26, 2024

Academic Degree Programs on Which Staff Propose Expedited Action

February 26, 2024

CHE 24-01 Bachelor of Fine Arts in Art to be offered by University of Southern Indiana

Proposal received on February 1, 2024

CIP Code: 50.0702

University of Southern Indiana

Fifth Year Projected Enrollment: Headcount – 65, FTE – 65

Fifth Year Projected Degrees Conferred: 30

The proposed Bachelor of Fine Arts in Art will be offered in person through the College of Liberal Arts. USI currently offers a B.A./B.S. in Art, which over the past three years (FY2021-FY2023) enrolled an average of 189 students and had an average of 41 graduates each year. The University intends to keep the B.A./B.S. in Art as an additional option for students who do not desire the more professional B.F.A., should the proposed program be approved; the B.A./B.S. might be attractive to art students wishing to obtain a second major and/or minors in other fields.

Sixty percent of the BFA curriculum consists of studio courses, art history courses, and supportive courses in art and design. BFA students will choose to focus in one of several concentrations, including graphic design, illustration, interactive media design, photography, and studio art. Graduates of the program would be prepared for positions as art directors, interior designers, graphic designers, and special effects artists and animators.

The BFA in Art requires 120 semester hours to complete, thus meeting the standard credit hour expectation for baccalaureate degrees. There is no TSAP (Transfer Single Articulation Pathway) that applies to the proposed degree program. However, students at Ivy Tech Community College who complete the A.S. in Visual Communications can transfer 60 credit hours into the proposed degree program. Students at Vincennes University who complete the A.S. in Art - Design (Graphic Design/Visual Communication) can transfer 60 credit hours into the proposed degree program.

CHE 24-02 Master of Social Work (MSW) to be offered by Purdue University Northwest at Hammond

Proposal received on February 2, 2024

CIP Code: 44.0701

Purdue University Northwest at Hammond

Fifth Year Projected Enrollment: Headcount – 78, FTE – 42

Fifth Year Projected Degrees Conferred: 18

The proposed Master of Social Work (MSW) will be offered in person through the College of Humanities, Education, and Social Sciences. Purdue Northwest currently offers a B.A. in Social Work, which over the last three years (FY2021-FY2023) enrolled an average of 29 students per year and annually produced 13 graduates. IU Northwest also has a Bachelor of Social Work, which during the same period enrolled an average of 111 students and 30 graduates per year.

Purdue Northwest's MSW will have two options: a traditional option and advanced standing option. The traditional option requires 57 credit hours, is intended for graduates of any bachelor's degree from an accredited institution, and will typically take two years to complete for a full-time student and 3-4 years for a part-time student. The advanced standing option requires 36 credit hours, starts in the summer, and can be completed in one year. This option is intended for students with a bachelor's degree in social work earned within the last five years.

IU Northwest also offers an M.A./M.S. in Social Work, which enrolled an average of 107 students and graduated 39 students each year over the past three years. The IU master's in Social Work is an evening program for part-time students, whereas the proposed Purdue program would be offered during the day for both full-time and part-time students. The two programs will also differ with respect to the curricular focus on the Areas of Specialized Practice recognized by the Council on Social Work Education (CSWE). The IU program focuses on Specialized Practice Areas such as School Social Work, Mental Health, Addictions, and Health, whereas the Purdue program will produce Advanced Generalist social workers, who are qualified to work in any setting, including hospices and domestic violence centers.

Northwest Indiana has an acute shortage of social workers, and the U.S. Department of Health and Human Services has classified Lake, Porter, and LaPorte Counties, and most of the surrounding counties, as a Mental Health Professional Shortage Area. Nationally, employment of social workers is expected to grow at 9% through 2031, faster than average. The proposed program will prepare graduates with the educational preparation to become, together with the needed hours of supervised clinical work after graduation, Licensed Clinical Social Workers (LCSWs), whose annual salary in Indiana according to one recent source, almost \$76,000.

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

INFORMATION ITEM A: Academic Degree Programs Awaiting Action

	<u>Title of Program</u>	<u>Institution/Campus/Site</u>	<u>Date Received</u>	<u>Status</u>
01	Bachelor of Fine Arts in Art	University of Southern Indiana	02/01/2024	On CHE Agenda for Action
02	Master of Social Work	Purdue University Northwest	02/02/2024	On CHE Agenda for Action
03	Bachelor of Science in Forensic Science	Ball State University	02/08/2024	Under Review

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

INFORMATION ITEM B:

Academic Degree Program Actions Taken by Staff

	<u>Title of Program</u>	<u>Institution/Campus/Site</u>	<u>Date Approved</u>	<u>Change</u>
01	B.F.A. in Art	Indiana State University	02/26/2024	Changing credit hours
02	M.S. in Management	Indiana University East	02/26/2024	Changing credit hours
03	Graduate Certificate in Addiction Studies	University of Southern Indiana	02/26/2024	Adding certificate
04	M.A. in Applied Data Analytics	Purdue University Global	02/26/2024	Name change
05	Post-Baccalaureate Certificate in Autism Spectrum Disorder	Purdue University Global	02/26/2024	Eliminating
06	Master of Public Health	Purdue University Global	02/26/2024	Changing credit hours
07	Post-Baccalaureate Certificate in Foundations of Artificial Intelligence	Purdue University West Lafayette	02/26/2024	Adding certificate
08	Post-Baccalaureate Certificate in Digital Marketing and Analytics	Purdue University West Lafayette	02/26/2024	Adding certificate
09	Post-Baccalaureate Certificate in Microelectronics and Semiconductors	Purdue University West Lafayette	02/26/2024	Adding certificate
10	Master of Health Administration	Indiana University Purdue University Indianapolis	02/26/2024	Changing credit hours

	<u>Title of Program</u>	<u>Institution/Campus/Site</u>	<u>Date Approved</u>	<u>Change</u>
11	Master of Social Work	University of Southern Indiana	02/26/2024	Changing credit hours
12	M.A. in Communications	University of Southern Indiana	02/26/2024	Changing credit hours
13	A.S. in Computer Science	Ivy Tech Community College – Hamilton County	02/26/2024	Adding a location
14	Certificate in Computer Science Fundamentals	Ivy Tech Community College – Hamilton County	02/26/2024	Adding a location
15	A.A.S. in Interior Design	Ivy Tech Community College	02/26/2024	Name change
16	Certificate in Housing and Human Environments	Ivy Tech Community College – Evansville, South Bend/Elkhart	02/26/2024	Adding certificate
17	Certificate in Precision Agriculture Chemical Applicator	Ivy Tech Community College – Lafayette, Terre Haute, Columbus	02/26/2024	Adding certificate
18	Ph.D. in Instructional Leadership	Indiana State University	02/26/2024	Reinstating program

COMMISSION FOR HIGHER EDUCATION

Thursday, March 14, 2024

INFORMATION ITEM C:

Media Coverage

Staff has selected a compilation of recent media coverage related to the Commission from January and February. Please see the following pages for details.

MirrorIndy
More Hoosier students could see associate degrees under pending bill
By Claire Rafford
January 22, 2024

Indiana lawmakers are considering a bill that would require four-year public universities to look into offering associate degrees to some students — a reversal of more than two decades of policy designed to make Ivy Tech Community College and Vincennes University the primary providers of two-year degrees in Indiana.

Currently in committee, Senate Bill 8 is a priority bill for the Indiana Commission for Higher Education and part of Gov. Eric Holcomb’s legislative agenda. The bill, authored by Sen. Jean Leising, R-Oldenburg, proposes a number of other initiatives to boost Indiana’s college-going and completion rates.

A third of Indiana college students won’t complete college in six years, and several Indiana public institutions have six-year completion rates under 50%. The goal is to give students who stop short of completing a bachelor’s degree something for their time: an associate degree.

The legislation would require every public university in Indiana to submit a report to the state’s Commission for Higher Education examining how to offer associate degrees to these students.

Other components of Senate Bill 8 include:

- Mandating that high schools offer state-approved college credit classes
- Requiring public universities to look into how to offer more three-year bachelor’s degrees potentially by using credits earned in high school or summer classes
- Expanding “reverse transfer,” a program that awards associate degrees to students after they transfer out of community college

This effort to confer associate degrees, said Commissioner for Higher Education Chris Lowery, is a way to help improve earning potential and job outcomes for students.

“They attended college, maybe they could have 70, 80, 90 (credit) hours of work, sometimes with debt, and they don’t have anything to show for it, even though what they have earned is equivalent to an associate degree,” he told Mirror Indy.

Indiana’s not the first state to consider offering this type of degree. Colorado passed a law in 2021 that would allow colleges to award associate degrees to students who dropped out, Chalkbeat reported. However, Lowery said it’s too soon to know whether the program increased employment opportunities and bachelor’s degree attainment.

A return of sorts

This is a pivot from recent education policy in Indiana, where four-year universities have focused on bachelor’s degrees while community colleges have specialized in certificates and two-year degree programs. But just two decades ago, educational missions in the state looked different.

When Indiana State University Provost Christopher Olsen joined the university in 1999, the four-year college offered some associate degrees, as did Indiana University and Purdue University.

But in May 2001, the Commission for Higher Education decided that four-year universities should remove most associate degree programs in favor of building up the state's community college network — what would become the various Ivy Tech campuses.

"It's about identifying what those missions are and what the school does well," Olsen said. "And at the time, the decision really seemed to be that two-year degrees were not what we were set up to do."

Today, IUPUI offers just six associate degree programs, all highly specialized and two of which are fully online.

Allowing four-year universities to award more associate degrees — even in very specific circumstances — raises questions about what this could mean for Ivy Tech and Vincennes University.

Neither institution spoke specifically for or against the legislation, but Ivy Tech did comment at a public hearing Wednesday, Jan. 17 at the Statehouse.

MJ Michalak, vice president of legal and public affairs at Ivy Tech, said in a hearing before the Senate Education and Career Development Committee that Ivy Tech remains committed to its mission established years ago.

"For 20 years ... the state has supported mission differentiation in higher education — asking Ivy Tech to serve as the state's community college and point of entry for workforce or transfer, and along with Vincennes University, serving as the associate degree-granting institutions of the state with our four-year partners focusing on four-year bachelor's degrees, graduate degrees and research missions," Michalak said in her testimony.

"Ivy Tech's mission is guided by statute for workforce alignment and transfer."

Addressing curriculum differences

Should the studies proceed, the commission will set some boundaries and frameworks for how to best explore the role of associate degrees at public four-year colleges and universities.

Some of the topics colleges could address in their respective studies are curriculum differences between associate and bachelor's degrees, as well as how to determine which students would be eligible to receive the two-year credential and the average number of credit hours a student achieves before dropping out.

The first two years of college are often full of general studies classes and major prerequisites.

At Ivy Tech, the most common associate degrees awarded through the reverse transfer program are general studies, liberal arts and business administration, Michalak said.

The general degrees provide a credential but are less applicable to what she called “high-wage, high-demand jobs.”

Degree attainment, Olsen said, is about what the student has learned and would be dependent on which classes were completed and not simply about reaching a credit threshold. Still, he’s open to studying the matter with an eye toward filling gaps in the state’s education and workforce needs

“I absolutely want to be respectful of what Ivy Tech and Vincennes have done because they’ve created very logical, well-thought out, approved two-year degree programs,” Olsen said.

Next actions

Ultimately, the commission’s hope — should the bill pass in its current iteration — is that students who may receive an associate degree after stopping college will be more employable.

“A credential signals to a marketplace what someone has to offer, and the degree to which we can be supportive of that work too, is important,” Lowery said.

Members of the Senate Education and Career Development Committee will amend and vote on Senate Bill 8 in its next meeting, committee chair Sen. Jeff Raatz, R-Richmond, said last week.

WFYI
What Indiana students need to know about FAFSA changes
By Abriana Herron
January 19, 2024

An updated version of the application that helps millions of young people pay for college is now available. Several changes were made to the Free Application for Federal Student Aid, or FAFSA — it’s the only way students can qualify for federal assistance to cover tuition, books and other higher education expenses.

These changes are happening as part of the FAFSA Simplification Act, a law that required the U.S. Department of Education to simplify the form to make it easier for students, parents and other contributors to file.

Here’s what’s new about FAFSA for the 2024-2025 academic year:

More financial aid opportunities for Indiana college students

One of the major changes to FAFSA is the new formula that determines a student's financial aid eligibility called the Student Aid Index.

It’s calculated using tax information from the student, parents and other contributors. The SAI is similar to the previous formula. Other factors like family size are taken into consideration for federal grants eligibility.

This means financial aid opportunities could expand for Indiana college students in the next academic year.

The Indiana Commission for Higher Education expects 14,000 more Indiana students to be eligible for the federal Pell Grant because of the updated application, said senior associate commissioner Michelle Ashcraft.

“Certainly, if they qualify for that, at the federal level, we'll expect them to qualify for more at the state and institutional level as well,” Ashcraft said.

A shorter application window

The FAFSA application for the 2024-2025 academic year opened in late December, about three months later than previous years. That was due to a combination of challenges, including the time it took the Education Department to streamline the form.

However, Indiana’s priority application deadline remains the same: April 15.

Some applicants have voiced concerns about filing because there is less time to complete the application. But Ashcraft said the state feels confident families will have enough time to file it.

“We, as a state agency, don't feel nervous,” she said. “We've done this January to April timeline before, and we feel like we have a lot of robust resources to help students and their families file.”

Ashcraft also said when the state previously had the January to April deadline, more applications were filed.

“I think it's because it created a little bit of a sense of urgency, but also because it was nearing the time of year where people are really starting to think about their plans after high school,” she said.

Other states and colleges may have deadlines for financial aid filing. Ashcraft said to make sure to check the deadlines for all college’s students apply to.

All Indiana high school seniors must apply for FAFSA

This is the first year high school seniors in Indiana must file the FAFSA. During the 2023 legislative session, Senate Bill 167 passed and made it a requirement for seniors to file.

Advocates for the law say more students could consider college options when they know how much federal aid could help cover tuition and other costs.

“See what they're eligible for because they're likely eligible for more than what they may think,” Ashcraft said.

There are exceptions to the law for some students: high school seniors at some nonpublic schools, students who have a parent sign a waiver to decline to complete FAFSA and/or students who have a

principal or counselor sign the waiver if the student’s parent can’t be contacted before the filing deadline.

Lawmakers will reevaluate the mandate in 10 years.

FAFSA filing resources

The state’s Learn More Indiana initiative offers help to students and families filling out the application. The website explains the various types of grants and aid a student can receive. For more info go to: learnmoreindiana.org.

Ashcraft said there will be FAFSA filing events scheduled throughout the state.

Indiana’s biggest FAFSA filing event is ‘College Goal Sunday,’ where many colleges around the state offer free filing services to students.

This year’s College Goal Sunday is Feb. 25.

Indiana Capital Chronicle
State begins research into factors impacting college enrollment
By Niki Kelly
January 22, 2024

The Indiana Commission for Higher Education on Monday announced it will begin research into the factors impacting college enrollment in Indiana.

The agency is using a \$1 million grant from Lilly Endowment Inc. to select consulting firm Heart+Mind Strategies to lead the six-month research endeavor.

Increasing college enrollment is a key pillar of the Commission’s HOPE (Hoosier Opportunities & Possibilities through Education) Agenda. Indiana currently ranks 31st in the nation in the college-going rate for high school students and 21st in the nation in first-time undergraduate enrollment for adults. The commission wants Indiana to become a top 10 state in post-high school training and education by 2030.

The commission said it would incorporate input from a range of stakeholders, like high school students, young adult students, adult students, the general public, parents and family members, high school teachers, school counselors, additional school personnel, Indiana employers, youth-serving community- and faith-based organizations and representatives from Indiana’s higher education institutions.

“Whether it’s a certificate, two- or four-year degree, education and training beyond high school is the cornerstone to social and economic mobility and prosperity of all Hoosiers,” said Indiana Commissioner for Higher Education Chris Lowery. “Thanks to generous funding from the Lilly Endowment, the Commission can meet Hoosiers where they are, understand the barriers to college enrollment, and

inform potential solutions. I look forward to the professional insight and leadership of Heart+Mind Strategies in this work.”

The research will include one-on-one in-depth interviews, focus groups, and a survey. Findings from the research will complement and inform the development of the Commission’s strategic objectives and initiatives around policy, communications, 2025 legislative priorities, and resource allocation.

Heart+Mind Strategies was founded in 2008. It has previously conducted research on behalf of Strada Education Network, Pearson and Western Governors University.

The research is scheduled to conclude at the end of June 2024. A full report of findings will be published.

WRTV
‘College Goal Sunday’ looks to help students file FAFSA forms
By Griffin Gonzalez
February 25, 2024

INDIANAPOLIS — This year, every high school senior will be required to submit a Free Application for Federal Student Aid (FAFSA) form.

This isn’t a bad thing, according to College Goal Sunday co-chair Bill Wozniak.

“Families call us all the time saying, 'I didn't think I was going to get any aid,'" explained Wozniak. “I can't believe how much aid I got.”

Wozniak and his team created and executed College Goal Sunday on February 25 to help students and families navigate the FAFSA filing process.

“FAFSA is the gateway to almost all types of financial aid,” shared Wozniak. “Taking that sticker price down to the net price and cutting that in half makes a massive difference over time.”

One of the 40 Indiana schools that participated in College Goal Sunday was Lawrence North High School.

“It’s a great day to come in with people who are knowledgeable about all of the new parts of FAFSA,” said Lawrence North’s Director of Counseling, Connie Sivertson. “We want to be right here to help get this important piece of documentation and for all of our college bound students.”

The assistance comes at a crucial point as this year marks the first year that filing a FAFSA form will be required by every high school graduate.

“It's a part of the graduation requirement to get it completed,” said Lawrence North Assistant Principal Donny Mimms. “Some families that I've spoken with today have started but they've hit some hurdles, and they need to get through those barriers to get it completed.”

Mimms says despite the confusion the new FAFSA rules have caused, it still serves a greater good.

“The FAFSA opens up so many resources and possibilities for students to do some things for themselves and represent their families in ways that they haven't thought of,” Mimms said.

The FAFSA filing deadline is April 15.

For more information on FAFSA filing, [click here](#).