



## **Indiana University**

# **Fiscal Year 2025-27 Biennial Budget Request Summary**

## **Operating and Capital Request**

### **Components of Operating and Capital Appropriations Submission**

In accordance with the instructions issued by the Commission for Higher Education (ICHE), Indiana University (IU) has submitted its outcomes-based funding data. This data will enable ICHE to produce biennial funding recommendations in late 2024, rewarding IU for success in pursuing state higher education goals. IU's biennial operating request includes fee replacement appropriations necessary to make debt service payments on state approved facility bonds. IU is requesting a 3% increase in FY26 for existing special line items, an increase in funding due to legislative requirements, and new funding for special line items impacting IU and the state. IU also requests that dual credit funding remain at \$50 per credit hour. Finally, IU has included several capital projects seeking state funding to support the infrastructure of IU and its campus facilities.

### **Outcomes-based Performance Funding**

IU supports the state and ICHE's performance-based funding policy, however, further review and refinement should be considered during the biennial budget process to account for multiple factors that impact the goals of the formula and its funding.

First and foremost, the state and ICHE should continue to commit new funding for the formula and not resort to reallocation of IU's current appropriation to fund all or a portion of the formula. In past practice, this reallocation resulted in a diminished growth in overall state funding support of higher education and limited sustainable funding for institutions versus material swings in state support. IU would request the ICHE recommend new funding from the state in the next biennium to support the performance-based funding model and continue to invest in higher education through these metrics.

Second, we appreciate the ICHE's review of the current performance-based funding model to adjust some metrics that better align with IU's main campus, IU's new Indianapolis

campus, and our five regional campuses. While all metrics in the formula are important to the state and ICHE, some metrics do not align with the mission and student makeup of our campuses. With further review and partnership with the ICHE, IU supports adjustments in these metrics to better align them with our campuses and meeting the needs of the state.

Third, as IU Bloomington and IU Indianapolis continue to invest in research efforts and engagement, which aligns with our IU 2030 strategic plan and supports the state's economic development strategy, we would encourage the ICHE to continue to support funding of the research related metric in the performance formula. IU is engaged and implementing new investments in research that will impact not only the student and faculty experience in Bloomington and Indianapolis, but also the state's economy and research partners across the state.

Fourth, with the establishment of the new IU Indianapolis (IUI) campus starting on July 1, 2024, we would ask that the ICHE not include IUI (and Fort Wayne and Columbus) in the performance-based funding model, but rather provide for an inflationary adjustment for the IUI state appropriation for each year of the FY2025-27 biennium. With the separation from Purdue being less than a few months old, IU would appreciate consideration by the ICHE to allow new leadership and academic programs to take hold at the campus, gathering more consistent and comparable data to include in future performance-based funding models.

Finally, during the FY2023-25 biennium, IU was not awarded all our performance-based funding, and thus funds were left at the state level with no specific need identified. In working with the ICHE, IU supports Commissioner Lowery's initiative to allocate future unearned performance funds to institutions to improve on performance-based metrics that did not meet the goals of the ICHE. These reallocated performance-based funds could be used to support initiatives and programs at our campuses that would directly impact the performance-based metrics that need improvement and impact both student success and state goals.

### **Schools of Medicine and Dentistry**

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

FY 2025-2027 biennium, or—in the event a new funding formula is adopted—a manner that approximates this past mechanism.

### **Fee Replacement Appropriations**

Working in collaboration with ICHE and the Indiana Finance Authority, IU has submitted updated fee replacement data. For the FY 2025-2027 biennium, changes in fee replacement appropriations are determined by additional fee replacement amounts required for any capital projects authorized by the General Assembly for funding by the state.

### **Special State Appropriations**

In addition to its general operating appropriation, IU also receives state appropriations for several special line items for programs that provide a unique service to the state. IU requests an increase of 3.0% for Fiscal Year 2026 to existing line-item appropriations (except Dual Credit). This increase will be used to support inflationary increases in operating expenses.

IU is seeking additional funding for existing and new special state line-item appropriations that will support IU's research focus, state service requirements, and support of public safety throughout our campuses. The following are funding requests beyond the increased noted above:

**Clinical and Translational Sciences Institute (CTSI):** Increase funding by **\$2.5M per year** to focus on cancer research across the state. Currently, the State of Indiana provides no funding for cancer research and has some of the worse survival rates than the national average. In terms of the use of new funding, CTSI and the IU Melvin and Bren Simon Comprehensive Cancer Center would work collaboratively to support expanding cancer research. Total funding per year would be \$5M.

CTSI is a partnership between IU, Purdue and Notre Dame as a statewide laboratory to accelerate research and serve as a catalyst for translational research. CTSI is focused on improving human health across Indiana, the nation and beyond.

**Indiana Geological and Water Survey (IGWS):** With recent legislative changes regarding the operations and responsibilities of the IGWS, additional funding is necessary to carry out the work of the Survey. Pursuant to IGWS state law, IU is not responsible for funding of

the Survey, which lies with the State of Indiana and grants/contracts generated through the Survey’s work. Additional funding of **\$3.1M per year** will provide IGWS with \$5.9M per year to carry out its statutory duties as prescribed by the General Assembly.

**IU Innovates:** In 2023, IU announced a new investment in entrepreneurship called IU Innovates. IU Innovates’ focus is to establish IU as a globally recognized powerhouse for innovation and entrepreneurship, by engaging with IU students, faculty and staff. IU Innovates is a university-wide initiative that expands support for students, faculty and staff in the creation and growth of startup ventures. The state’s matching investment of **\$1.3M per year along with IU’s investment of \$1M** will accelerate a system where entrepreneurship is encouraged and supported, moving toward doubling the number of entrepreneurs in the state.

**IU Public Safety:** Public safety and protection are the highest priorities of IU for its students, faculty, staff, visitors, and others who engage with our campuses across the state. Recent trends in public safety have created a gap in current staffing versus what is required to keep our campuses safe and secure. As a result, IU is woefully behind in compensation of officers at our campuses, resulting in high overtime, vacant positions and difficulty recruiting new officers. With limited resources, current funds are used to address overtime versus investment in officers' compensation to create parity with other law enforcement agencies, and training of our public safety team. IU is requesting **\$5M per year** to support increased compensation for IU Police Officers at all our campuses for stronger recruitment and retention to avoid future resource gaps.

	FY25 Approp.	FY26 Requested	FY26 to FY25 Diff.	FY27 Request	FY27 to FY25 Diff.
Clinical and Translational Sciences	\$2,500,000	\$5,000,000	\$2,500,000	\$5,000,000	\$2,500,000
Global Network Op. Center	\$721,861	\$743,517	\$21,656	\$743,517	\$21,656
Spinal Cord/Head Injury Rsch. Ctr.	\$553,429	\$570,032	\$16,603	\$570,032	\$16,603
Inst. for the Study of Dvlp. Disb.	\$2,105,824	\$2,168,999	\$63,175	\$2,168,999	\$63,175
IN Geological & Water Survey	\$2,783,782	\$5,900,000	\$3,116,218	\$5,900,000	\$3,116,218
I-Light Network Operations	\$1,508,628	\$1,553,887	\$45,259	\$1,553,887	\$45,259
GigaPop Project	\$672,562	\$692,739	\$20,177	\$692,739	\$20,177
IU Innovates*	\$0	\$1,253,250	\$1,253,250	\$1,253,250	\$1,253,250
Public Safety*	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
<b>TOTAL IU Line Items</b>	<b>\$10,846,518</b>	<b>\$22,782,424</b>	<b>\$12,036,338</b>	<b>\$22,782,424</b>	<b>\$12,036,338</b>

\*Denotes new state line-item

For Dual Credit, IU requests funding to remain at \$50 per credit hour for the 2025-27 biennium.

## **Capital Request**

The following are capital projects IU will be seeking state support for the 2025-27 biennium. They are listed in priority order.

### **1. IU Bloomington - Science Learning Initiative Phase II (IUB Biology Building Renovation and Utility Upgrades) - \$96 million**

This project will include research laboratory spaces to reach a total of 20,000 square feet to provide support for research activities. Interior renovation would upgrade restrooms as well as hallway corridors with new lighting, ceiling, flooring, and wall painting along with updated and renovated elevator systems and existing building envelope and window systems. Opportunities for student and faculty areas for common use and upgrades to the existing atrium lobby space are included as well.

Additional Mechanical and Systems Upgrades and Replacements will include new air handling systems, modification and replacement of aging and failing pipe and utilities infrastructure, and improvements to other science related critical infrastructure. Additionally, modifications to select fire alarm and other related life safety systems will be included.

To support the research enterprise of the Biology Building and proximate science research buildings on the IU Bloomington Campus, a combined heat and power system will be developed and installed at the Central Heating Plant of the IU Bloomington Campus. This system will take heat recovery and create electrical power to act as a back-up system for the research enterprise of the Biology Building and surrounding buildings.

### **2. IU Indianapolis - Central Academic Campus Infrastructure Renovation Phase I - \$89 million**

This project will renovate the Business/SPEA and Education/Social Work buildings on the IU Indianapolis campus. The project will focus on interior renovation, including restroom upgrades, new lighting in hallway corridors, ceilings, and wall painting, along with updated and renovated elevator systems and existing building envelope and window systems. Opportunities for student and faculty areas for common use and upgrades to the existing atrium lobby space are also included.

Additional Mechanical and Systems Upgrades and Replacements will include new air handling systems, modification, and replacement of aging and failing pipe and utilities infrastructure, and improvements to other critical infrastructure. Additionally, modifications to select fire alarm and other related life safety systems will be included. These modifications will also modify ceiling systems in most office and classroom spaces.

Enclosure of existing Breezeway areas to be full-season support spaces for student learning, research district support and food service. These spaces will include informal learning space and will support student, faculty, and staff dining opportunities

**3. IU Regional Campus Renovation Projects (focused on instructional classrooms and labs) - \$25 million**

This project will renovate select instructional classrooms and laboratory spaces throughout all five regional campus locations, which will also include the renovation of select building systems and building envelope systems throughout all regional campuses.

**4. IU Indianapolis - Science Lab Addition Phase III - \$65 million**

This project will follow the approved and in design Science Laboratory Building Phase II, which is currently planned south of the existing Science Engineering and Laboratory (SELB) building on the IU Indianapolis campus. The Science Laboratory Addition Phase III will be an 80,000 GSF facility to house an array of science research and laboratory facilities working in concert with the spaces in SELB and the planned Science Laboratory Building Phase II

**5. IU Fort Wayne - Health Sciences Building - \$75 million**

This project will consolidate the Fort Wayne Health Sciences programs into one facility, including programs of the IU School of Medicine currently housed on the Purdue Fort Wayne campus and in the IU School of Medicine Building on the Purdue Fort Wayne campus.

**6. IU Bloomington - Science Learning Initiative Phase III - \$80 million**

This project would be a new facility on the IU Bloomington campus to consolidate and improve student classroom and instructional laboratory opportunities in the science research district of the campus. The facility would allow for additional research laboratory expansion in existing facilities and would provide enhanced

learning opportunities and student collaboration spaces with faculty and research leaders.