

ESTIMATING THE LOCAL ECONOMIC IMPACT OF APPLYING THE HEC DEGREE TEMPLATE TO IUSB'S ACADEMIC PROGRAM

INTRODUCTION

The purpose of this report is to provide an estimate of the negative economic impact that would be associated with applying Indiana's Higher Education Commission degree template to Indiana University South Bend's existing academic program. Among other important consequences, an application of the template would result in the loss of certain programs and the subsequent loss of affected students and faculty (see attachments), which would produce predictable economic repercussions throughout the economy of the local area.

This report should be read in the context of the document published in December 1998 titled "**Assessing the Local Economic Impact of Indiana University South Bend.**" That document contains a description of the methodology used in making these estimates as well as the definition of terms (hereinafter highlighted in bold italics) that might otherwise not be self-evident.

FINDINGS

The estimates included in the report are limited to three important sources of **export income** to the community: 1) the tuition and fees of students residing outside St. Joseph and Elkhart Counties; 2) the per student public appropriation provided by the State of Indiana; and, 3) the living expenses of international students residing locally. We have made the worst case assumption that all students committed to the lost programs would leave to obtain them elsewhere.

Given that assumption, affected full-time equivalent (FTE) student counts are as follows: 618 current undergraduate and 25 graduate majors (including 33 undergraduate and 9 graduate international students); and, 77 freshmen who have declared intentions to major in affected programs. These numbers translate into an annual loss of **export income**, before considering **multiplier effects** as follows:

Tuition and fees	\$1,219,603
State appropriation	2,240,700
International student living expenses	<u>251,832</u>
Total	\$3,712,135

After applying an **income multiplier** of 1.29, the \$3,712,135 of **export income** lost to the community would expand to \$4,788,654. Further, this loss of income would reduce employment in the broader economy by 154 jobs, 41 of which would be the result of a 1.36 **employment multiplier effect**.

CONCLUSION

These losses would not be inconsequential to the local economy. For example, three-and-a-third average sized manufacturing firms in St. Joseph County employ a comparable number of workers that we have estimated would be lost. On the other hand, it is important to note that this report considers only a limited view of the economic impact associated with applying the HEC degree template. The following is a partial listing of additional impacts that would stand to be curtailed by such a policy:

- * the augmentation of students' productivity in the area labor force;

* community service of University employees and students through volunteerism, serving on boards, etc.

* the education of literally thousands of individuals who because of their circumstances could not have received a college education;

* faculty and staff consulting activities;

* expansion of area banks' credit bases;

* visitor spending of faculty candidates, book salespersons, recruiters, conference attendees, etc.

* the impact of state and federal tax payments;

* the value of IUSB generated studies, publications, research, economic briefings, etc.; and,

* voluntary charity on the part of employees and students such as United Way, the Center for the Homeless, walks/runs for charitable causes, etc.

A university is an institution of learning at the highest level. The diminishment of a university's programs is a weighty matter carrying numerous educational, social, and economic implications -- all affecting the well-being of the community, especially when the vast majority of its students are also residents of the area.

Office of International Student Services
International Student Enrollment in Selected Majors
January 12, 1999

Degree	Degree Title	Current Students	Alumni
B.A.	Fine Arts	7	3
B.F.A.	Arts		1
B.A.	Mass Communications	7	5
B.M.	Music	2	5
B.M.E.	Music Education	1	
B.A.	Theatre	3	2
B.F.A.	Theatre		
B.S. Edu	Certification in:		
	Earth-Space Science		
	Foreign Language	2	
	Physics		
	Physical Science		
	Social Studies		
B.S. Edu	Special Education	1	
B.G.S.	General Studies	3	7
B.S. Edu	Labor Studies		
B.S./B.A.	Economics	2	1
B.A.	French		1
B.A.	German		
B.A.	History		3
B.S.	Applied Math	2	1
B.A.	Philosophy		
B.A.	Physics		
B.A.	Political Science	1	2
B.A.	Sociology	1	3
B.A.	Spanish		1
B.S.C.J.	Criminal Justice	1	3
B.S.	Health Services man.		
M.L.S.	Liberal Studies	2	2
M.M.	Music	5	10
M.S.	Music Education		
M.S.	Applied Psychology	1	
M.S. Ed	Special Education	1	1
Grad. Cert.	Health Management		
Grad. Cert.	Public Management		
Grad. Cert.	Urban Affairs		

**Office of Academic Affairs Student Enrollment and Selective Majors
January 1999**

Degree	Degree Title	Total Graduates Through 12/98	Fall 1998 Majors	Fall 1998 FD Majors
B.A.	Fine Arts	201.00	76.00	7.00
B.F.A.	Arts	12.00	26.00	0.00
B.A.	Mass Communications	59.00	89.00	0.00
B.M.	Music	67.00	17.00	0.00
B.M.E.	Music Education	68.00	20.00	0.00
B.A.	Theatre	36.00	27.00	1.00
B.F.A.	Theatre	0.00	0.00	0.00
B.S. Edu	Certification in:			29.00
	Earth-Space Science		0.00	
	Foreign Language		12.00	
	Physics	1.00	3.00	
	Physical Science		11.00	
	Social Studies	101.00	36.00	
B.S. Edu	Special Education	299.00	224.00	16.00
B.G.S.	General Studies	1175.00	218.00	0.00
B.S.	Labor Studies		6.00	0.00
B.S./B.A.	Economics	127.00	8.00	4.00
B.A.	French	19.00	0.00	1.00
B.A.	German	19.00	0.00	1.00
B.A.	History	207.00	22.00	9.00
B.S.	Applied Math	16.00	4.00	4.00
B.A.	Philosophy	46.00	6.00	4.00
B.A.	Physics	40.00	7.00	6.00
B.A.	Political Science	223.00	18.00	12.00
B.A.	Sociology	338.00	45.00	19.00
B.A.	Spanish	26.00	5.00	8.00
B.S.C.J.	Criminal Justice	201.00	90.00	1.00
B.S.	Health Services Man.	2.00	4.00	0.00
M.L.S.	Liberal Studies	29.00	36.00	0.00
M.M.	Music	34.00	10.00	0.00
M.S.	Music Education			0.00
M.A.	Applied Psychology	0.00	16.00	0.00
M.S. Ed	Special Education	943.00		0.00
Grad. Cert.	Health Management	7.00	0.00	0.00
Grad. Cert.	Public Management	131.00	0.00	0.00
Grad. Cert.	Urban Affairs		0.00	0.00

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INDIANA UNIVERSITY SOUTH BEND 1998-99 Tuition Rates

* denotes a change

Tuition per credit hour:

Undergraduate Resident*	95.80		
Undergraduate Nonresident*	262.20		
Graduate Resident*	125.70		
Graduate Nonresident*	304.80		
Graduate Business Resident*	151.60		
Graduate Business Nonresident*	360.30		
Graduate Social Work Resident*	134.80		
Graduate Social Work Nonresident*	323.60		
Dedicated Fees	20.90	Student Activity Fee:	
		3.00/cr hour	
Nursing Clinical Fee	15.35	36.00 maximum	
Applied Music:		Technology Fee:	
156.00/sem music majors		3 > cr hrs	25.00
156.00/course non-music majors		3.5-6 cr hrs	50.00
		6 < cr hrs	75.00
Education:		Advance Coll. Pjt	83.30
Early Field Exp.	31.75		
Practicum	59.25	Laboratory	35.50
Student Teaching	103.50		
 		Duplicate Diploma	25.00
Late Registration (nonrefundable):			
Fall/Spring:		Transcript Fee	7.00
First Week	58.00		
Second Week	68.00	Admissions Application Fee*	
Third Week	78.00	US	40.00
Fourth Week	88.00	Foreign	45.00
Summer:			
First Week	48.00	Foreign Language Plcmt	12.00
Second Week	48.00		
 		Credit by Exam:	
Personal Deferment Plans	21.00	- Freshman	0.00
 		- 1st semester Transfer	
Bursar Reinstatement	25.00	Students	11.00/cr hr
 		- All Others pay the Regular	
Radiologic Science	27.10	Tuition Rate/cr hr	