



NEWS RELEASE

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\$1 Million Lilly Endowment Grant to USI

A \$1 million grant from Lilly Endowment Inc. will enhance economic development and in-state employment opportunities for students at the University of Southern Indiana by creating and expanding cooperative education relationships and placements with regional and statewide employers who either hire, or would like to hire, engineers. The grant was awarded from the Endowment's "Initiative to Promote Opportunity through Educational Collaborations."

USI President H. Ray Hoops said the Endowment grant "will allow USI to recruit talented Hoosier students, connect them with lifelong employers, and retain them in Indiana and the region, meeting our goals, those of the State of Indiana, and those of the Lilly Endowment. We are so appreciative of the Endowment's partnership in bringing all our goals together," he said.

The Endowment grant will be used in three ways:

- (1) to provide scholarship incentives for junior- and senior-level students in USI's baccalaureate engineering program to seek and accept co-op positions with Indiana engineering firms;
- (2) to create incentives for Indiana employers to offer co-op opportunities by providing partial wage subsidies for co-op students; and
- (3) to provide a challenge to donors to contribute toward development of a new \$1 million endowment fund.

Over a four-year period, USI projects that approximately 100 engineering students will be placed in co-op assignments as a result of this program.

According to USI President H. Ray Hoops, "Placement of engineering students in interesting and challenging co-op assignments will stimulate their interest in accepting professional positions with the firms with which they co-op, thus keeping these highly recruitable graduates in the Indiana workforce."

Dr. Hoops cited the University's strong record of keeping graduates in the state. "One of the things we have learned is that 'it is all about relationships' and USI students and regional employers have enormously strong relationships. Over 80 percent of USI's nearly 20,000 graduates remain in Indiana, and of that number, 88 percent reside in southwestern Indiana and the tri-state, where they developed relationships with employers, either as interns, co-ops, or part-time employees."

"We know that the USI model of partnership with the business community is highly effective in keeping graduates in the state where they can contribute to economic development and community leadership," he said.

“Building strong partnerships with employers, listening to employers’ changing needs for workforce development and employer retention, and responding with academic and training programs, outreach activities, and applied research all help to attract and retain graduates in our state and in our communities,” he emphasized.

The University of Southern Indiana focused its Lilly Endowment grant proposal on its new Bachelor of Science in Engineering (BSE) degree program because of the economic impact the program is expected to have on the region and the state. USI expects its engineering graduates will be highly recruited both in- and out-of-state. Therefore, USI thought incentive programs for both students and employers – many of whom may be smaller firms which hire engineers – which are targeted to Indiana and regional employment opportunities were a natural fit for the Endowment’s interest.

President Hoops said that USI believes it is imperative that USI engineering graduates accept positions with in-state employers to fill the need identified by a University task force that surveyed economic and workforce development needs in 2000. The report of that task force led to the development of the engineering program to meet an expressed critical need for engineers in the southern Indiana region.

“If Indiana is to prosper economically, especially by expansion of future-oriented ventures such as those envisioned by the State administration in Energize Indiana, it must find ways to retain graduates like those of USI’s baccalaureate engineering program in the Indiana workforce,” Hoops said.

The USI grant will provide:

- \$ 376,000 for scholarships for engineering co-op students,
- \$ 424,000 for incentives for employers to provide co-op opportunities,
- \$ 200,000 as a challenge for establishment of a permanent \$1 million scholarship endowment. The USI Foundation will be communicating with employers and friends of the University about the importance of establishing this endowment fund.

At the end of the Endowment’s grant period, USI expects that the endowment fund will perpetuate the scholarship program and that employers who have received incentives will, from their own budgets, assume the cost of the co-op and internship salaries. USI also believes that co-op and internship opportunities will widen as potential employers learn the value of these relationships.

In proposals submitted to the Indiana Commission for Higher Education, USI had projected that just over 80 students would be enrolled in the new engineering program at the end of its first year of recruiting students; the number to date is 200.