

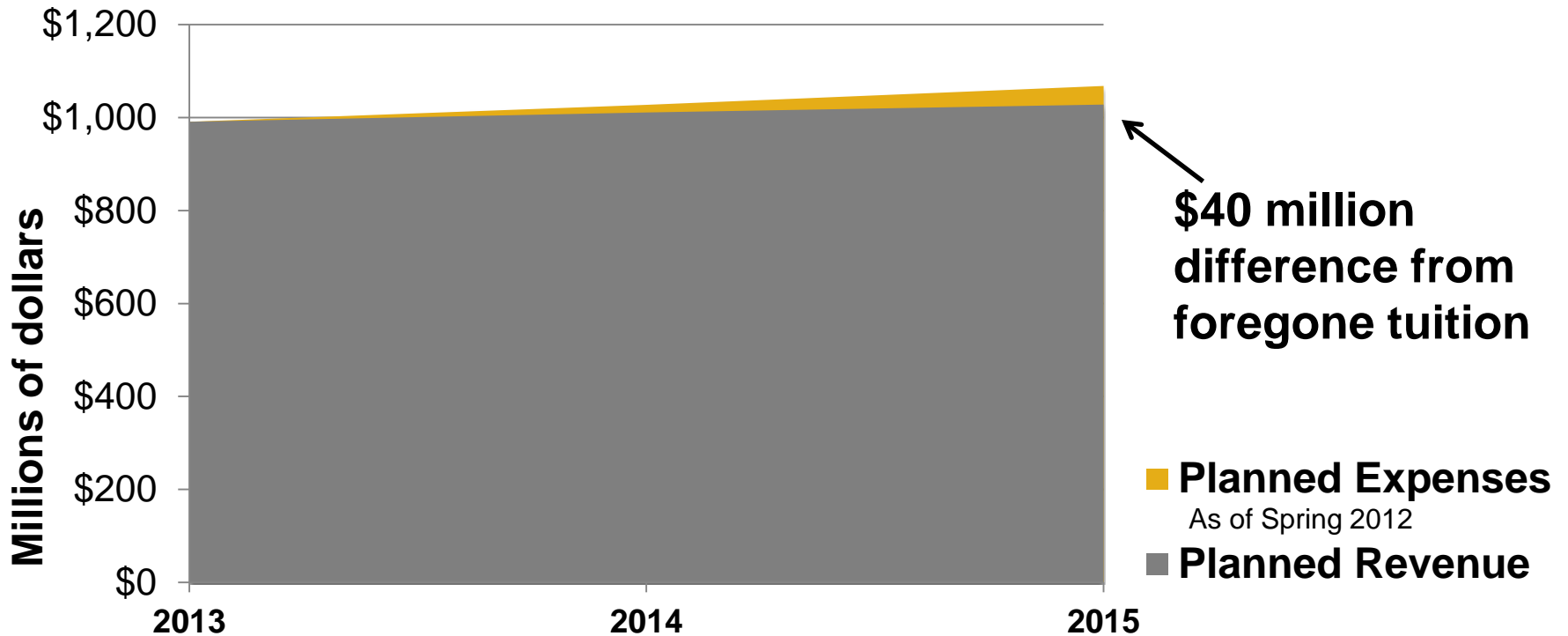
FY 2014 GOVERNANCE REPORT

PROPOSED STUDENT FEE RATES FY 2014 AND FY 2015
CONCEPTUAL BUDGET PLAN FY 2014

Board of Trustees Meeting

May 2013

BUDGETARY IMPACT OF 2-YEAR TUITION FREEZE



| | 2013 | 2014 | 2015 | Total Growth |
|---------|--|-------------|-------------|---------------------|
| Expense | 991 Million | +36 Million | +41 Million | 77 Million |
| Revenue | 991 Million | +20 Million | +17 Million | 37 Million |
| | Effect of the Foregone Tuition: | | | \$40 million |

STUDENT AFFORDABILITY & ACCESSIBILITY

| | <u>FY 2014</u> | <u>FY 2015</u> |
|--|---------------------|------------------------|
| Budget Challenge | \$ (16,508,551) | \$ (23,960,629) |
| Budget Projection Updates | \$ 658,721 | \$ (115,769) |
| New Revenues | | |
| Interest Revenue | \$ 5,000,000 | \$ - |
| Cost Savings / Reallocations | | |
| Medical Plan Design Changes | \$ 2,500,000 | \$ - |
| Medical Plan Third Party Administrator Change | 2,000,000 | 2,000,000 |
| Debt Service and Reallocations | 1,011,586 | - |
| Cost Avoidance | | |
| Reduction in Salary Policy | \$ 3,399,500 | \$ 3,476,448 |
| Reduction in Unit Requests | 5,913,824 | 6,261,469 |
| Employee Salary Policy Opt-Outs | TBD | TBD |
| Organizational Budget Reductions | TBD | TBD |
| Allocations | | |
| Faculty Equity | \$ (1,000,000) | TBD |
| Faculty Retention | (600,000) | TBD |
| Total Funds Available for Student Affordability & Accessibility | <u>\$ 2,375,080</u> | <u>\$ (12,338,481)</u> |
| Two Year Accumulated Balance (Shortfall) | | \$ (9,963,401) |

LEGISLATIVE PROCESS

FY 2014 Operating Appropriations Increases

- WL 4.7%, PUC 3.7%, IPFW 1.2%, PNC 2.9%

Appropriations for Capital Projects

- Cash Funded Construction Projects
 - West Lafayette Active Learning Center - \$50M
 - IPFW South Campus Renovations - \$21.35M
- Debt Service Construction Project
 - North Central Student Services – Activities Complex - \$23.7M
- Purdue System Wide Repair & Rehabilitation (R&R), Biennium - \$18.5M

Line Items

- Most Line Items Increased by 3.5%
 - Additional \$1M for Agricultural Research and Extension
 - Non Recurring funds for Animal Disease Diagnostic Lab
- New Line Items
 - Next Generation Manufacturing Competitiveness Center - \$2.5M
 - New Dual Credit Purdue System Wide - \$744,700
 - Indiana Biosciences Research Institute, Biennium - \$25M (Allocated to IEDC for Indiana campuses)
 - IPFW Academic Program Support - \$2M

Regulatory

- Significant changes to State Financial Aid programs
 - Include an individualized student degree mapping requirement
 - Required to offer free course at next offering if course is not available per the degree map
- Regional campus governance study
- Specific IPFW study
- Resident tuition rates for recently discharged veterans regardless of domicile
- Resident tuition rate for undocumented students enrolled prior to July 1, 2011

PROPOSED FEE STRUCTURE

General Biennial Increase

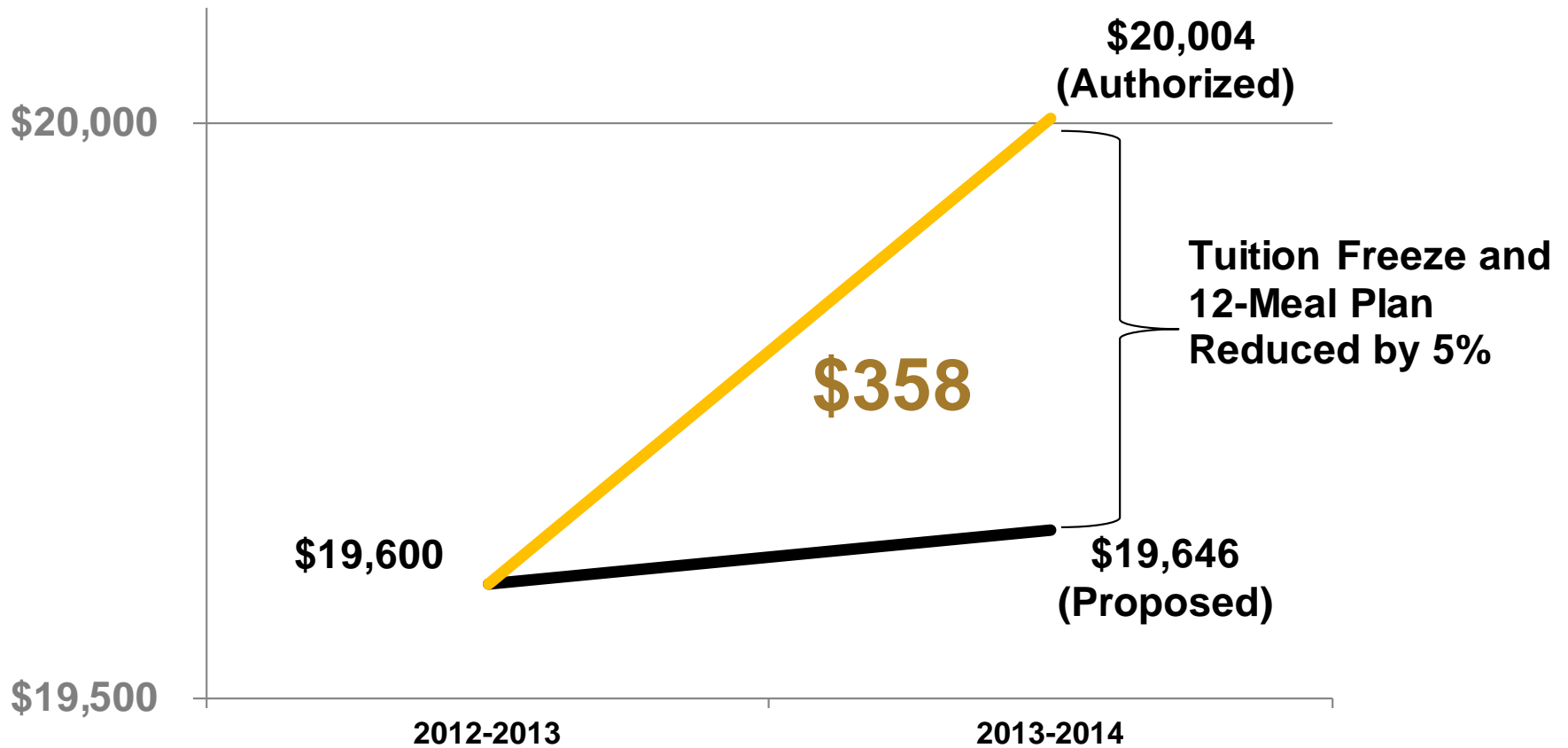
- 0.0% for West Lafayette Campus and Statewide Technology for resident and nonresident students
- 2.0% for Regional Campus resident and nonresident students

West Lafayette

- Previously Approved Increases
 - Engineering Differential Fee for undergraduates
 - Increased by \$250 per year (Year 3 of 4)
 - Student Fitness and Wellness Fee for resident and nonresident students
 - Increased by \$82 to \$244 per year effective Fall 2013 (Final year of a 3 year phase-in period)
 - Student Activity Fee for resident and nonresident students
 - Increased by \$10 to \$30 per year effective Fall 2013 (Year 3 of 4)
- Proposed Increase
 - Veterinary Medicine Instructional Support Fee for new to program students
 - \$500 per year effective Fall 2013
- Proposed Reductions
 - Internship/Co-op/Industrial Practice Fee
 - Non-credit - \$400 participation fee
 - For credit - \$200 participation fee plus per credit hour fee
 - Reduction in Student Meal Plan Rates
 - Rates will be reduced by 5% from Board Authorized Rates
 - A \$252 reduction to the 12-meal plan

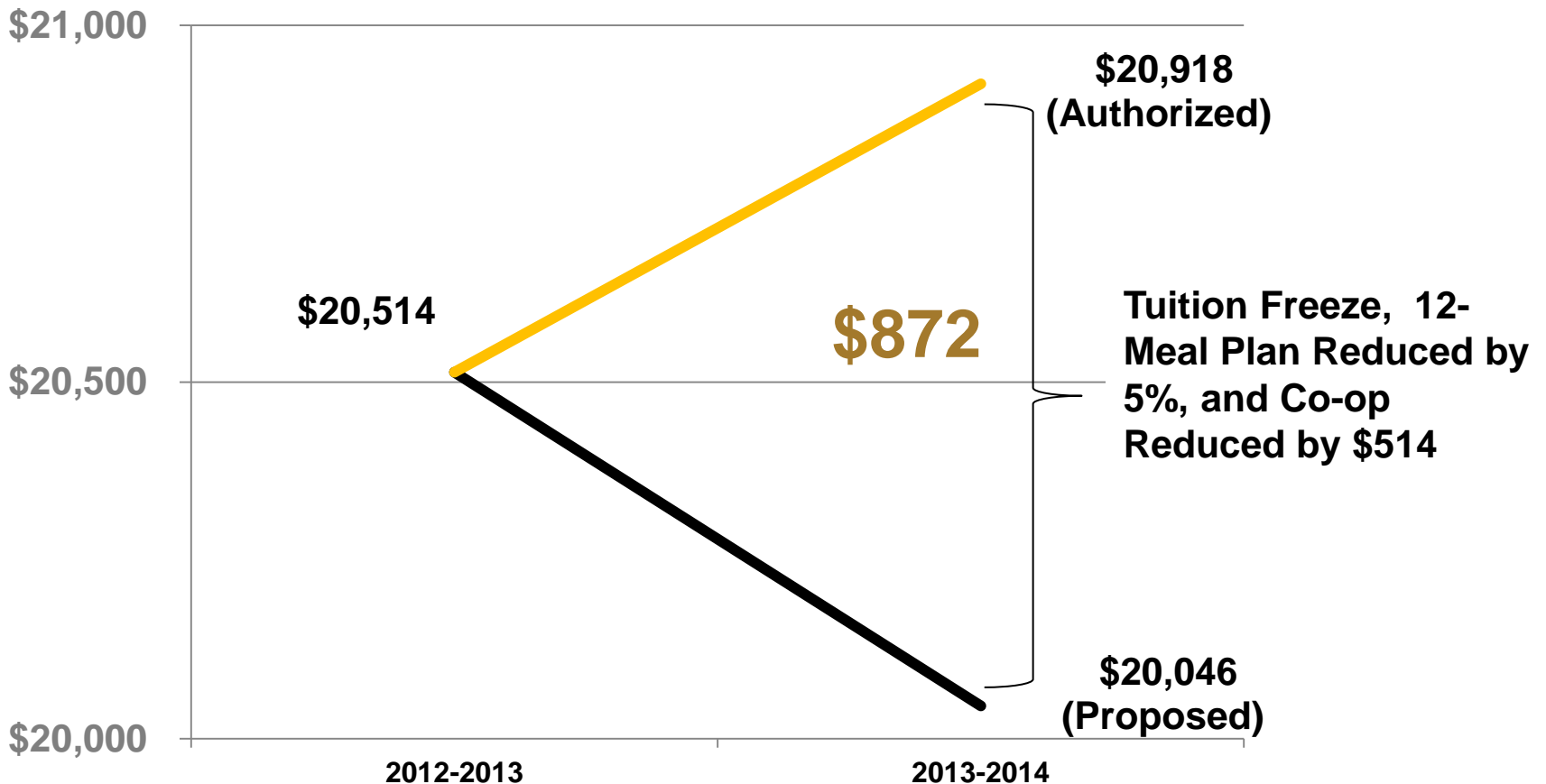
PROPOSED FEE STRUCTURE

**Annual Impact to a Resident Student
By Freezing Tuition and Reducing 12 Meal Plan Rates by 5%
And From Authorized Levels**



PROPOSED FEE STRUCTURE

Annual Impact to a Resident Student with Summer Co-op
By Freezing Tuition and Reducing 12 Meal Plan Rates by 5% and
Reducing Co-op Fee by \$514 from Authorized Levels



FY 2014 GOVERNANCE REPORT

CONCEPTUAL BUDGET PLAN FY 2014

Board of Trustees Meeting

May 2013

GENERAL FUND BUDGET BY REVENUE SOURCE

WEST LAFAYETTE CAMPUS

| General Fund Revenues | FY 2013 Budget | Proposed FY 2014 Budget | Dollar Change |
|---|-----------------------|-------------------------------|----------------------|
| Operating Appropriation | \$ 233,843,356 | \$ 244,792,248 | \$ 10,948,892 |
| Debt Service Appropriation | 25,273,722 | 21,336,918 | (3,936,804) |
| Student Fees | 628,552,345 | 637,224,390 | 8,672,045 |
| Facilities and Admin. Recovery | 59,450,000 | 58,000,000 | (1,450,000) |
| Interest Income | 20,500,000 | 25,500,000 | 5,000,000 |
| Other Income | 23,317,870 | 24,410,111 | 1,092,241 |
| Total Revenue Increases | \$ 990,937,293 | \$ 1,011,263,667 | \$ 20,326,374 |
| Budget Reallocations | | | 1,011,586 |
| Total Revenues and Reallocations | | | \$ 21,337,960 |

FY 2014 GENERAL FUND BUDGET

WEST LAFAYETTE CAMPUS

Expenditure Allocations

Amount

| | |
|--|---------------------|
| Salary Increases and Adjustments | \$ 4,331,400 |
| Faculty Change in Academic Rank | 844,740 |
| Benefits Related to Salary Increases | 859,600 |
| Benefits (medical, retirement, etc.) | <u>744,678</u> |
| Total Compensation Increases and Benefits | \$ 6,780,418 |
| | |
| Fuels, Utilities and Insurance | \$ 356,720 |
| Plant Expansion | 1,020,646 |
| Miscellaneous Unavoidable Costs | <u>344,466</u> |
| Total Mandatory Cost Increases | \$ 1,721,832 |

FY 2014 GENERAL FUND BUDGET, CONT.

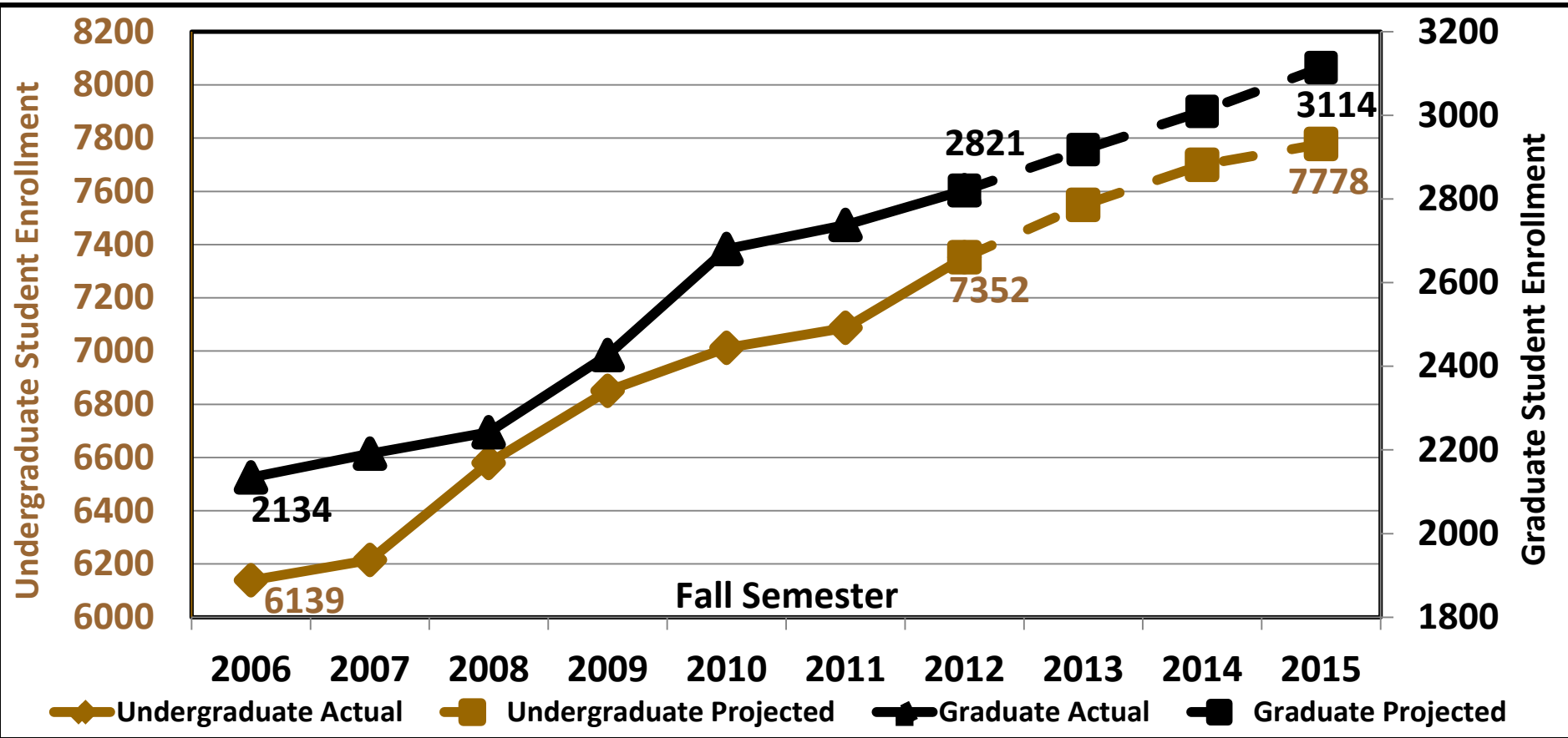
WEST LAFAYETTE CAMPUS

Expenditure Allocations, continued

Amount

| | |
|---|-----------------------------|
| Student Affordability & Accessibility Fund | \$ 2,375,080 |
| Future Strategic Initiatives (appropriations above assumptions) | 4,887,326 |
| Remissions | (1,242,400) |
| Scholarships | 42,929 |
| Expanded Summer Allocation FY 2014 | 4,756,665 |
| Expanded Summer Adjustment FY 2013 | (9,112,877) |
| College of Engineering Expansion | 9,000,000 |
| School of Management Expansion | 1,416,000 |
| Faculty Equity | 1,000,000 |
| Faculty Retention | 600,000 |
| Other Allocations | <u>3,049,791</u> |
| Total | \$ 16,772,514 |
| Debt Service from Appropriations | <u>(3,936,804)</u> |
| Total Expenditure Allocations | \$ <u>21,337,960</u> |

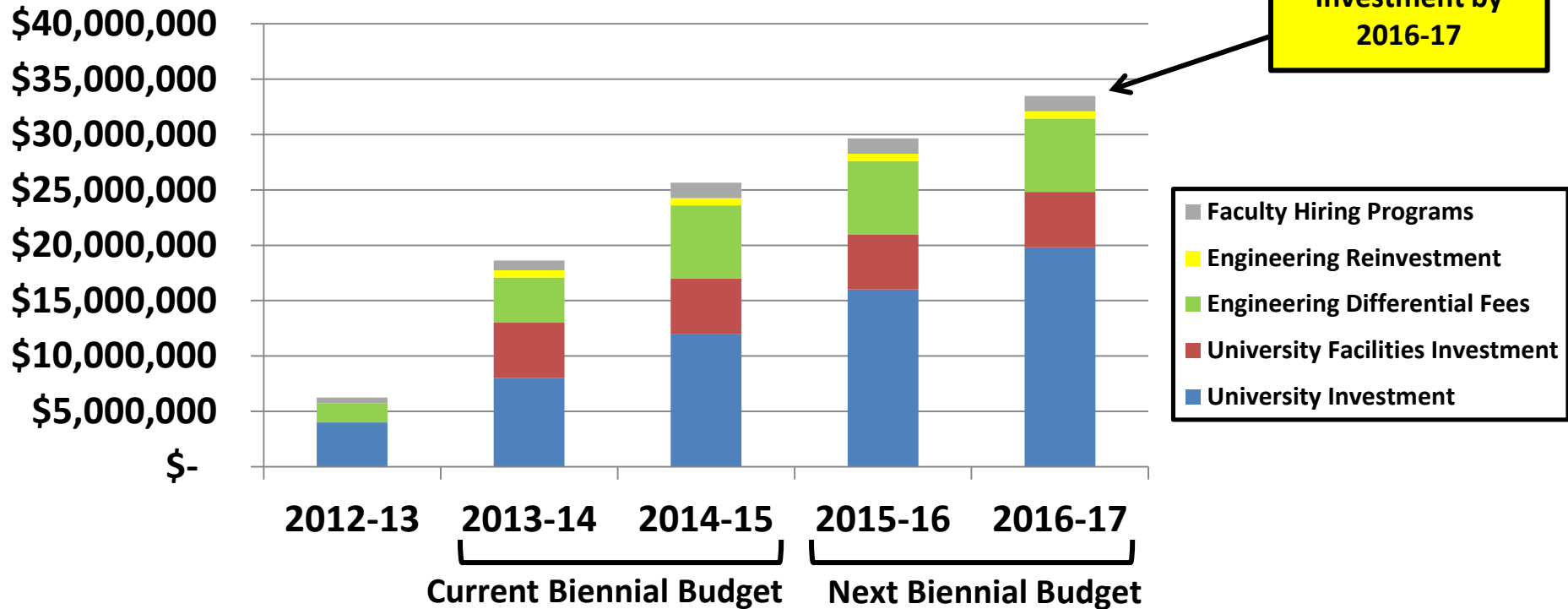
COLLEGE OF ENGINEERING STRATEGIC GROWTH



- 27% undergrad enrollment growth from 2006 to 2015; 46% grad enrollment growth
- Undergraduate applications increased by 55% from 2006 to 2012
- Incoming students in top quartile of their class jumped from 77% (2006) to 92% (2012)
- National call to graduate 10,000 more engineers each year
- Important for innovation, economic development, and jobs creation

COLLEGE OF ENGINEERING STRATEGIC GROWTH

CoE Strategic Growth Recurring Funding Plan



- Recurring university investment of ~\$20M for faculty/staff growth
- Recurring Engineering differential fees of ~\$6.6M for faculty/staff growth
- Recurring university investment of \$5M for facilities effective 2013-14
- Recurring funds reserved to address the impact of CoE undergraduate and graduate student enrollment growth on other colleges

COLLEGE OF ENGINEERING STRATEGIC GROWTH

Faculty Hiring

- 2012-13 devoted to planning faculty hiring strategy for next 4-5 years
- 33 current faculty searches focused on immediate needs and immediate opportunities
- Estimate ~30 searches per year
- Distinguished seminar series on *The Future of Higher Education*

Space Planning

- ~145,000 asf of lab space and up to ~75,000 asf of office space
 - Increase space efficiency
 - Increase energy efficiency
 - Enhance collaboration
 - Enhance quality of space
 - Pilots on open space concepts

Faculty Hiring Strategy



GENERAL FUND BUDGET BY REVENUE SOURCE

REGIONAL CAMPUSES

| General Fund Revenues | Purdue University Calumet | | Indiana-Purdue Fort Wayne* | | Purdue North Central | |
|---|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|---------------------|
| | Proposed FY 2014 Budget | Dollar Change | Proposed FY 2014 Budget | Dollar Change | Proposed FY 2014 Budget | Dollar Change |
| Operating Appropriation | \$ 27,843,362 | \$ 998,422 | \$ 39,018,966 | \$ 455,916 | \$ 13,453,989 | \$ 380,401 |
| Debt Service Appropriation | 1,474,082 | (15,690) | 5,310,403 | (109,634) | 2,024,537 | 2,024,537 |
| Student Fees | 51,962,356 | (3,187,332) | 62,201,662 | (2,634,671) | 16,083,077 | 433,753 |
| Facilities and Admin. Recovery | 750,000 | 0 | 175,000 | 0 | 65,000 | 0 |
| Interest Income | 1,200,000 | 0 | 1,700,000 | 0 | 325,000 | 0 |
| Other Income | 930,000 | 105,000 | 2,635,879 | 963,468 | 841,000 | (27,000) |
| Total Revenues | \$ 84,159,800 | \$ (2,099,600) | \$ 111,041,910 | \$ (1,324,921) | \$ 32,792,603 | \$ 2,811,691 |
| Budget Reductions from Units | | 3,739,905 | | 3,932,267 | | 0 |
| Budget Reallocations | | 0 | | 0 | | 0 |
| Total Revenues, Reductions and Reallocations | | \$ 1,640,305 | | \$ 2,607,346 | | \$ 2,811,691 |

*In addition IPFW has received a line item of \$2M for academic program support.

FY 2014 GENERAL FUND BUDGET

REGIONAL CAMPUSES

| <i>Expenditure Allocations</i> | Purdue University Calumet | Indiana-Purdue Fort Wayne | Purdue North Central |
|---|--------------------------------------|--------------------------------------|---------------------------------|
| Salary Increases and Adjustments | \$ 0 | \$ 0 | \$ 221,472 |
| Faculty Change in Academic Rank | 54,000 | 189,600 | 44,000 |
| Benefits Related to Salary Increase | 18,900 | 0 | 49,185 |
| Benefits | (61,369) | (106,812) | 67,703 |
| Total Compensation Increases | \$ 11,531 | \$ 82,788 | \$ 382,360 |
| Mandatory Cost Increases | \$ 390,593 | \$ (607,720) | \$ 63,079 |
| Remissions | 3,600 | 433,003 | 4,357 |
| Scholarships | 240,000 | 0 | 0 |
| Other Allocations | 1,010,271 | 2,808,909 | 222,571 |
| Carry Forward for Future Budget Commitments | 0 | 0 | 21,888 |
| Debt Service from Appropriations | (15,690) | (109,634) | 2,024,537 |
| Other Debt Service Allocation | 0 | 0 | 92,899 |
| Total Expenditure Allocations | \$ 1,640,305 | \$ 2,607,346 | \$ 2,811,691 |

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