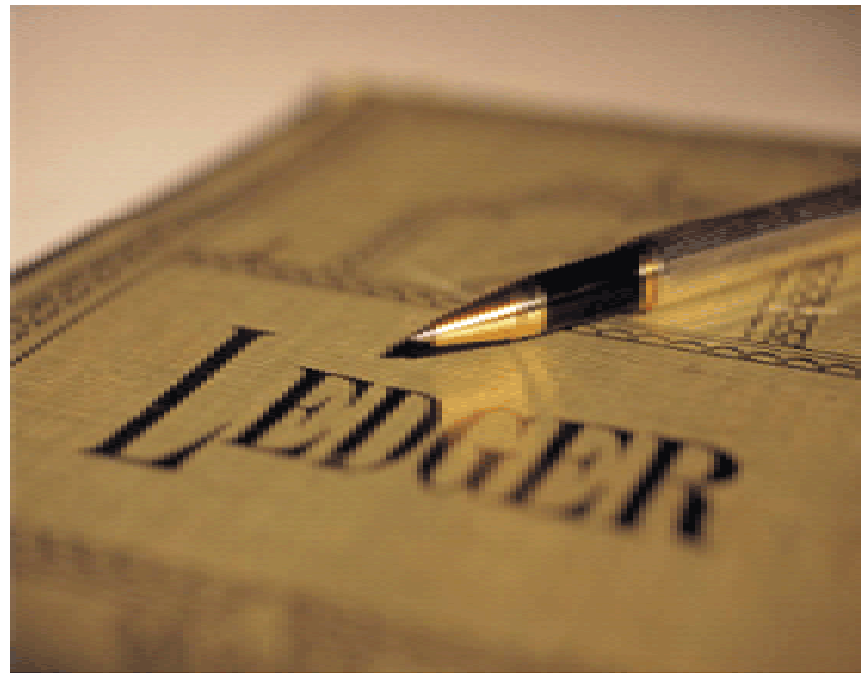
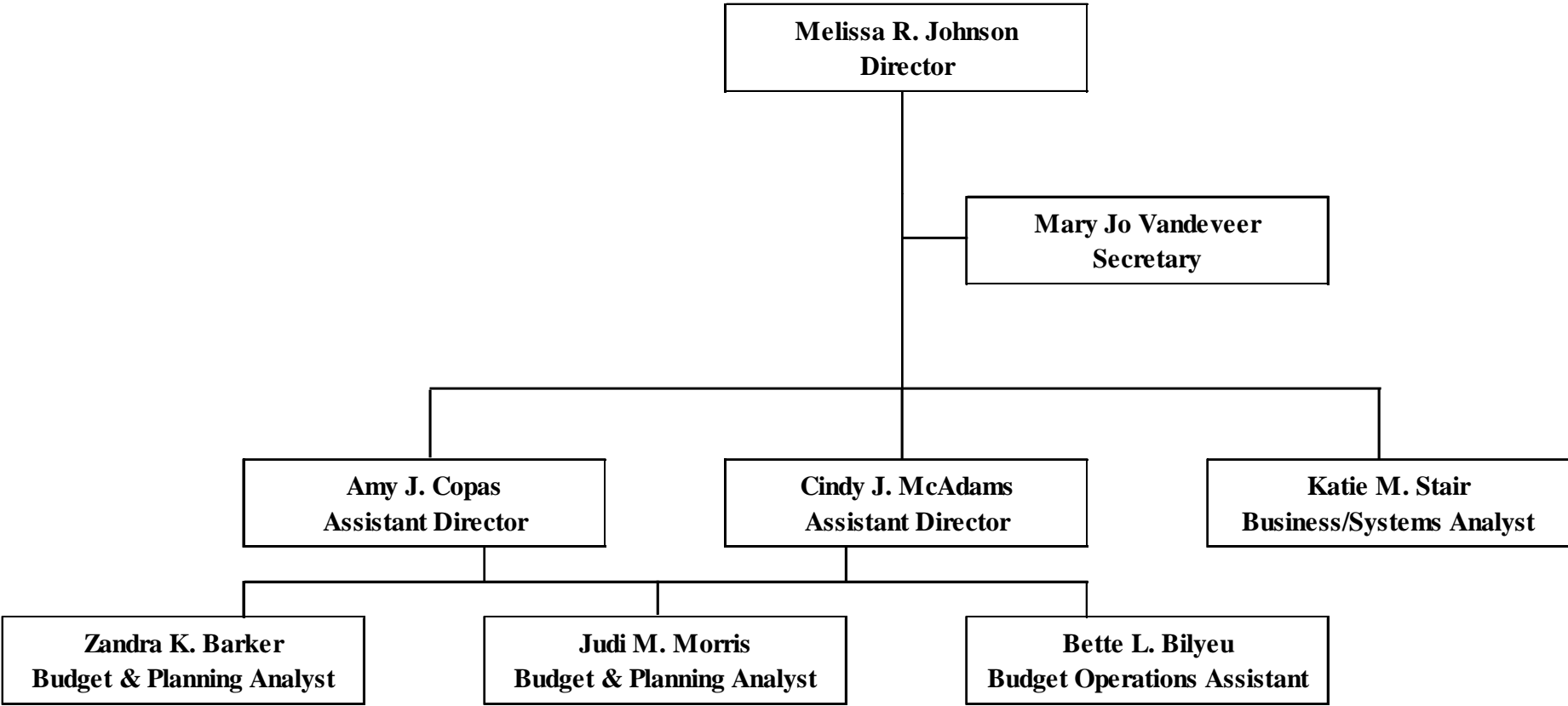


Concepts of Budget Planning/Legislative Process

February 12, 2010



Budget and Fiscal Planning



OVERVIEW
of the
UNIVERSITY BUDGET

Internal Operating Budget

Total Budget Covers Four Fund Groups:

	%	%
	<u>System</u>	<u>West Lafayette</u>
General	53	51
Restricted	23	26
Auxiliary	14	15
Student Aid	10	8

OPERATING BUDGET

Total System FY 2010

	<i>WEST</i>		<i>CALUMET</i>		<i>NORTH</i>		<i>TOTAL</i>	
	<i>LAFAYETTE</i>		<i>IPFW</i>		<i>CENTRAL</i>			
GENERAL	\$ 873,340,009	\$	78,173,856	\$	100,458,541	\$	28,178,014	\$ 1,080,150,420
RESTRICTED	434,597,688		9,882,000		14,080,542		4,122,985	462,683,215
AUXILIARY ENTERPRISES	258,045,269		7,605,706		12,250,936		1,550,288	279,452,199
BUDGETED STUDENT AID	<u>139,657,049</u>		<u>19,410,000</u>		<u>30,408,041</u>		<u>7,451,561</u>	<u>196,926,651</u>
<i>Subtotal</i>	\$ 1,705,640,015	\$	115,071,562	\$	157,198,060	\$	41,302,848	\$ 2,019,212,485
ARRA Non Recurring	<u>13,980,564</u>		<u>1,184,418</u>		<u>1,070,904</u>		<u>122,080</u>	<u>16,357,966</u>
TOTAL	<u>\$ 1,719,620,579</u>	<u>\$</u>	<u>116,255,980</u>	<u>\$</u>	<u>158,268,964</u>	<u>\$</u>	<u>41,424,928</u>	<u>\$ 2,035,570,451</u>

West Lafayette Campus General Funds – Sources Proposed FY 2010

Student Fees (\$511.8M)

Operating Appropriations (\$248.0M)

Facilities and Administrative Recovery (\$53.7M)

Debt Service Appropriations (\$26.7M)

Interest Income (\$16.5M)

Other Income (\$16.6M)

Total (\$873.3M)

**West Lafayette Campus: FY 2010
General Funds**

ACADEMIC AREAS

Science	\$ 62,494,352
Engineering	62,485,232
Liberal Arts	49,849,442
Agriculture	38,097,503
Academic Reserves/Provost Initiatives	22,776,432
Libraries	19,639,944
Management	19,599,745
Technology	19,516,143
Pharmacy, Nursing and Health Sciences	16,698,407
Veterinary Medicine	14,515,834
Consumer and Family Sciences	9,738,838
Education	8,894,489
Research Centers and Discovery Park	6,087,774
International Programs	2,471,775
Continuing Education and Conferences	1,775,762
Total Academic Areas	\$ 354,641,672

West Lafayette Campus: FY 2010
General Funds (continued)

SUPPORT AREAS

General Administration	\$ 75,275,435
Student Services	55,042,892
Physical Facilities	48,824,596
Information Technology	41,657,856
University Advancement	13,304,457
Technology Reserve	4,206,295
Engagement	1,830,438
Total Support Areas	<u>\$ 240,141,969</u>

UNAVOIDABLES/OTHER

Staff Benefits	\$ 156,585,096
Fuel, Utilities, and Other Mandatory Costs	54,512,655
Fee Remissions	40,735,706
Debt Service	26,722,911
Total Unavoidables	<u>\$ 278,556,368</u>

<i>Total Recurring Expenditures</i>	\$ 873,340,009
ARRA Non Recurring Expenditures	<u>13,980,564</u>
<i>Total Expenditures and Allocations</i>	<u><u>\$ 887,320,573</u></u>

Restricted Funds – Sources

Federal and Industrial Sponsored Programs

Specific State and Federal Appropriations

Restricted Gifts

West Lafayette Campus: FY 2010

Restricted Funds

ACADEMIC AREAS

Agriculture	\$ 115,308,272
Engineering	77,042,255
Science	45,939,305
Research Centers and Discovery Park	24,343,173
Veterinary Medicine	20,585,947
Consumer and Family Sciences	17,100,088
Pharmacy, Nursing and Health Sciences	15,446,635
Liberal Arts	13,637,362
Statewide Technology	12,254,397
Continuing Education and Conferences	9,746,215
Management	9,688,624
Technology	9,315,855
Education	3,820,625
Libraries	1,086,357
International Programs	261,913
<i>Total Academic Areas</i>	<u>\$ 375,577,023</u>

SUPPORT AREAS

Physical Facilities	\$ 31,578,978
Engagement	13,648,434
General Administration	4,578,045
Information Technology	4,492,317
University Advancement	3,152,015
Student Services	1,570,876
<i>Total Support Areas</i>	<u>\$ 59,020,665</u>
TOTAL	<u><u>\$ 434,597,688</u></u>

Auxiliary Funds – Sources

(Self-Supporting Activities)

Housing and Food Services

Health & Recreational Services

Service Enterprises

West Lafayette Campus: FY 2010 Auxiliary Enterprises

HOUSING AND FOOD SERVICES

Campus Housing	\$ 103,347,209
Purdue Memorial Union	18,264,747
<i>Total Housing and Food Services</i>	<u>\$ 121,611,956</u>

HEALTH AND RECREATIONAL SERVICES

Athletics	\$ 57,416,754
Student Health Center	8,333,674
Recreational Sports Center	1,847,509
Convos and Lectures	2,013,945
<i>Total Health and Recreational Services</i>	<u>\$ 69,611,882</u>

SERVICE ENTERPRISES

Telephone Office	\$ 9,511,556
Other Enterprises	10,019,958
Food Stores	10,731,938
Printing Services	8,320,406
IT Services	8,125,200
Transportation	4,926,056
University Stores	4,774,857
Parking	4,975,290
Hall of Music	2,965,147
Mail Services	1,983,027
Airport	487,996
<i>Total Service Enterprises</i>	<u>\$ 66,821,431</u>

Total West Lafayette Campus \$ 258,045,269

Student Aid – Sources

Scholarships

University Scholarships, Athletic Grant in Aid

Awards

State Awards, Private Awards & Internal Awards

Grants

Pell Grants, Supplemental Educational Opportunity Grants, & Others

Remissions

Institutional Fee Remissions (Institutional or Contractual and Reciprocal Agreements) and Statutory Fee Remissions

West Lafayette Campus: FY 2010 Student Financial Aid

BUDGETED STUDENT AID

Scholarships and Grants:

University Scholarships	\$ 17,099,407
General University Grant	7,726,265
University Incentive Grant	8,867,728
Trustee Scholarship	10,284,000
Presidential Scholarship	4,959,000
Purdue Promise	291,319
Purdue Marquis Scholarship	1,000,000
Purdue Opportunity Awards	680,000
Athletic Grant in Aid Awards	8,031,674
State Awards	16,981,100
Private Awards	11,850,000
Indiana Resident Top Scholars	1,242,819
Fellowships	10,254,983
Federal Grants	40,388,754
<i>Total Budgeted Student Aid</i>	\$ 139,657,049

West Lafayette Campus: FY 2010 Student Financial Aid

OTHER STUDENT FINANCIAL SUPPORT (ESTIMATED)

Institutional Fee Remissions	\$ 12,562,774
Loan Programs:	
Federal Loans	\$ 168,920,000
Private Loans	35,000,000
Purdue Loans	5,000,000
<i>Total Loan Programs</i>	<u>\$ 208,920,000</u>
Employment Related:	
Graduate Student Staff Salaries	\$ 85,548,543
Employment Related Fee Remissions	42,763,399
Other Part-Time University Salaries	16,844,070
Other Employment Related Awards	2,200,000
Work Study Salaries	2,005,867
<i>Total Employment Related</i>	<u>\$ 149,361,879</u>
<i>Total Estimated Other</i>	<u>\$ 370,844,653</u>
<i>Total Student Financial Aid</i>	<u><u>\$ 510,501,702</u></u>

**INTERNAL
OPERATING BUDGET
PROCESS**

Budget Phases

Campus Level Planning Phase

Preparation Phase

Review and Approval Phase

Budget Reporting

Monitoring Phase

Planning Phase

(July – March)

1. Review Priorities
2. Identify Issues
3. Estimate Revenues
 - a. F&A Recovery
 - b. Student Fees
 - c. Interest Income
 - d. Administrative & Operating Recovery
 - e. Other Revenue

Planning Phase

(July – March)

(continued)

4. Expenditure Decisions

- a. Fuel, Utilities, and Insurance
- b. Staff Related Unavoidables
- c. Salary and Wage Increases
- d. Supplies and Expense
- e. Strategic Initiatives and New Programs

5. Develop Salary Policy

6. Allocations/Reallocations/Reductions

7. Scenarios

- a. Variables

Planning Phase

(July – March)

(continued)

8. Budget Plan Developed

9. Budget Plan Approval by Board of Trustees

a. Governance Report

- **Conceptual Budget**
- **Student Fees**
- **Financial Aid**

West Lafayette Campus: FY 2010 General Fund Budget Revenue Changes and Reductions

<i>Revenue Changes</i>	<i>Amount</i>
Operating Appropriations	\$ (13,980,564)
Debt Service	638,582
Total State Appropriations	\$ (13,341,982)
Resident Fees	\$ 8,500,000
Nonresident Fees	17,880,000
Repair and Rehabilitation Fees	1,835,000
New to Campus Student Success Fees	4,400,000
Designated Student Fees	4,349,000
Enrollment Change	7,000,000
Total Student Fees	\$ 43,964,000
Facilities and Admin Expense Recovery	\$ 3,900,000
Administrative Recovery and Other	\$ 2,916,206
Recurring Revenue Increase	\$ 37,438,224
Budget Reductions	\$ 9,770,000
Total Recurring Revenue and Reductions	\$ 47,208,224
ARRA Non Recurring Revenue	\$ 13,980,564
<i>Total Revenue and Reductions</i>	<i>\$ 61,188,788</i>

West Lafayette Campus: FY 2010 General Fund Budget Total Allocations

<i>Allocations</i>	<i>Amount</i>
Salary Increases and Adjustments	\$ 0
Faculty Change in Academic Rank and Benefits	607,680
Fringe Benefits	5,370,674
Total Compensation Increases	\$ 5,978,354
Fuel, Utilities, and Insurance	\$ 6,256,289
Plant Expansion	1,500,306
Repair and Rehabilitation	2,020,000
Miscellaneous Unavoidable Costs	588,277
Total Mandatory Cost Increases	\$ 10,364,872

West Lafayette Campus: FY 2010
General Fund Budget Total Allocations (continued)

<i>Allocations</i>	<i>Amount</i>
Maintain Supplies and Expense Purchasing Power	\$ 0
Remissions and Scholarships	14,121,206
Information Technology Infrastructure	2,400,000
Academic Program Enhancements	4,349,000
Programming for Student Organizations	100,000
Strategic Plan Allocations	5,000,000
Budget Allocation for FY 2011	4,256,210
Debt Service	638,582
Total Recurring Expenditure Allocations	\$ 47,208,224
ARRA Non Recurring Expenditures	\$ 13,980,564
<i>Total Expenditure Allocations</i>	\$ 61,188,788

Preparation Phase

(April – May)

- 1. Control Sheet Distribution**
- 2. Salary Policy Communication**
- 3. Department Budget Preparations**

Department Budget Preparation

Individual Salary Decisions	Funding Sources by Person	Overall Restricted Fund Estimates	Income Producing/ Auxiliary Balanced Budgets	Budget Data Entry	Preparation of Analysis Tables
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Review and Approval Phase

(May)

- 1. School/College/Area Analysis**
- 2. Budget Conferences**
- 3. Roll-up & Tie-out**
- 4. University Analysis**
 - a. Campus**
 - b. Systemwide**

Budget Reporting

(June – September)

- 1. Final Governance Report**
- 2. Budget Summaries**

Monitoring Phase

(July – June)

- 1. Budget to Actual Performance**
- 2. Validation and Updating of Models**
- 3. Blend with New Campus Level Planning Phase**
- 4. Base Budget Changes and Reporting**

LEGISLATIVE BUDGET PROCESS

Definition of Terms

- **Operating Request**
- **Capital Request**
- **ICHE – Indiana Commission for Higher Education**
- **Fee Replacement**
- **R&R – Repair & Rehabilitation**
- **Legislative Base Budget**
- **Legislative Fee Assumption**

Legislative Budget Process Phases

Development Phase

Preparation and Submission

Presentation Phase

Legislative Phase

Development Phase

(January – May)

- 1. Making decisions about inflationary assumptions for the next two years**
- 2. Making decisions on items which will be requested – linked to Strategic Plan**
- 3. Board approval of guidelines and items to be requested**

Preparation & Submission Phase

(June – August)

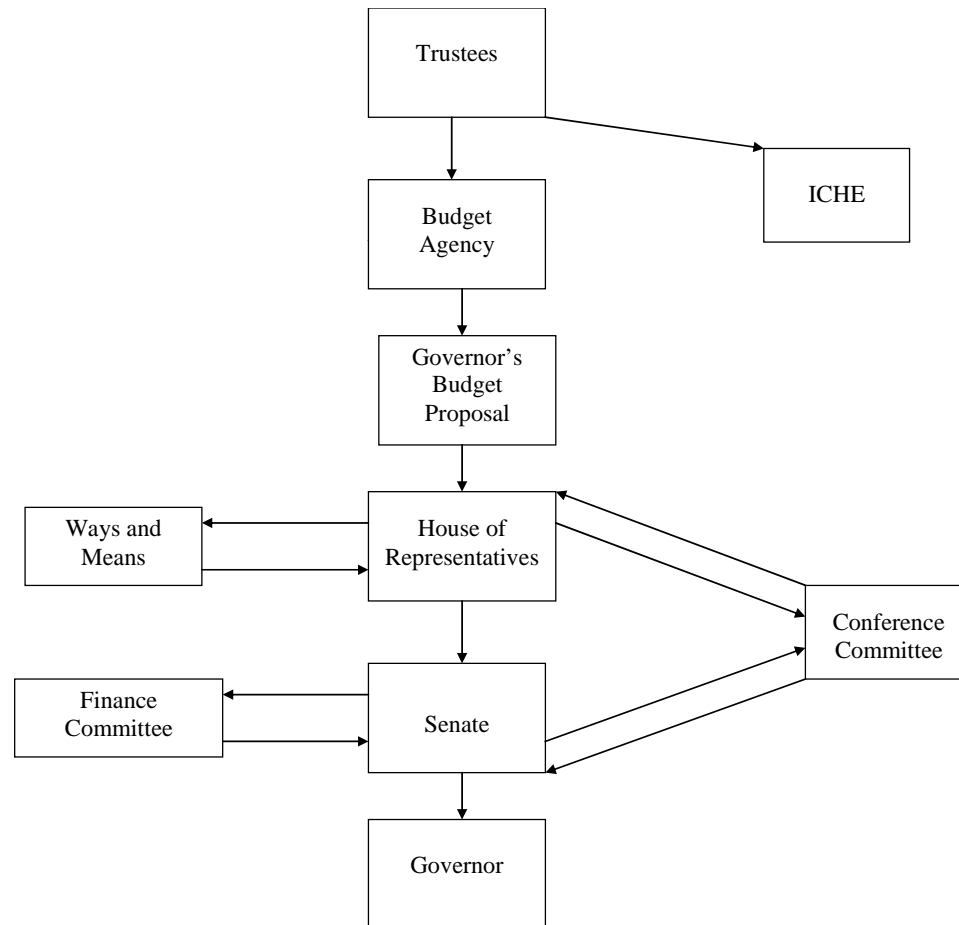
1. Preparing narrative for request
2. Submit capital request
3. Preparing detailed tables and schedules
4. Submit operating request

Presentation Phase

(September – December)

- 1. Present budget to Commission for Higher Education**
- 2. Presentation to Budget Committee**
- 3. Regional meetings sponsored by alumni groups**
- 4. Meetings with key legislators and staff**
- 5. Letters to parents**
- 6. Involvement of students**
- 7. Special interest groups**

Legislative Phase (January – April)



OVERVIEW OF STUDENT FEES

Per Semester Fees

2009-2010

**West Lafayette Campus
(entering freshman students)**

- **GENERAL SERVICE - \$4,091.40** – This fee goes to the general fund of the University and supports instructional costs across the campus.
- **TECH FEE - \$83.60** – This fee goes in a special fund and is restricted to maintaining and upgrading the campus computer, network, labs, equipment and software.
- **R&R FEE - \$144.00** – This fee is effective for students enrolled Fall 2006 and thereafter. Revenues from this fee will be dedicated to maintenance of campus facilities and infrastructure.
- **UNDERGRADUATE DIFFERENTIAL FEES**
 - Engineering – \$500.00
 - Krannert School of Management – \$637.00
 - College of Technology – \$250.00

Changes in Academic Year Student Fees for West Lafayette Campus

	Students Enrolled Prior to Summer 2006			Students Enrolled Summer 2006 through Spring 2009			Students Enrolled Summer 2009 and Thereafter		
	Present	Fall 2009	Fall 2010	Present	Fall 2009	Fall 2010	Present	Fall 2009	Fall 2010
<u>Student Fees (Academic Year)</u>									
General Service	\$ 7,316.80	\$ 7,682.80	\$ 8,066.40	\$ 7,316.80	\$ 7,682.80	\$ 8,066.40	\$ 7,316.80	\$ 8,182.80	\$ 8,592.40
Technology Fee	159.20	167.20	175.60	159.20	167.20	175.60	159.20	167.20	175.60
Repair & Rehabilitation Fee	N/A	N/A	N/A	274.00	288.00	302.00	274.00	288.00	302.00
Total Resident	\$ 7,476.00	\$ 7,850.00	\$ 8,242.00	\$ 7,750.00	\$ 8,138.00	\$ 8,544.00	\$ 7,750.00	\$ 8,638.00	\$ 9,070.00
Nonresident Tuition	15,474.00	16,480.00	17,552.00	15,474.00	16,480.00	17,552.00	15,474.00	16,480.00	17,552.00
Total Nonresident	\$ 22,950.00	\$ 24,330.00	\$ 25,794.00	\$ 23,224.00	\$ 24,618.00	\$ 26,096.00	\$ 23,224.00	\$ 25,118.00	\$ 26,622.00
<u>Dollar Change</u>									
Resident		\$ 374	\$ 392		\$ 388	\$ 406		\$ 888	\$ 432
Nonresident		\$ 1,380	\$ 1,464		\$ 1,394	\$ 1,478		\$ 1,894	\$ 1,504

Comparison of Tuition and Fees Big Ten Public Universities Academic Year 2009-2010

<i>University</i>	<i>Undergraduate</i>					
	<i>Resident</i>			<i>Nonresident</i>		
	<i>Tuition & Fees</i>	<i>Rank by Cost</i>	<i>1-Year Change</i>	<i>Tuition & Fees</i>	<i>Rank by Cost</i>	<i>1-Year Change</i>
Penn State University	\$14,416	1	5.2%	\$25,946	5	4.0%
University of Illinois	12,508	2	3.3%	26,650	3	2.9%
University of Michigan	12,400	3	5.6%	36,163	1	5.6%
Michigan State University	11,383	4	6.5%	27,781	2	6.5%
University of Minnesota	11,293	5	6.2%	15,293	10	4.5%
Ohio State University	8,706	6	0.3%	22,278	8	1.6%
Indiana University	8,663	7	4.6%	26,160	4	5.6%
Purdue University	8,638	8	11.5%	25,118	6	8.2%
University of Wisconsin-Madison	8,314	9	9.8%	23,063	7	5.7%
University of Iowa	6,824	10	4.3%	22,198	9	7.5%
Mean (excluding Purdue)	\$10,501		5.1%	\$25,059		4.9%
Purdue index to mean	0.82			1.00		

Comparison of Tuition and Fees Peer Universities Academic Year 2009-2010

University	<i>Undergraduate</i>					
	<i>Resident</i>			<i>Nonresident</i>		
	<i>Tuition & Fees</i>	<i>Rank by Cost</i>	<i>1-Year Change</i>	<i>Tuition & Fees</i>	<i>Rank by Cost</i>	<i>1-Year Change</i>
Penn State University	\$14,416	1	5.2%	\$25,946	5	4.0%
University of Illinois	12,508	2	3.3%	26,650	4	2.9%
University of Michigan	12,400	3	5.6%	36,163	1	5.6%
University of Texas-Austin	8,930	4	4.7%	30,006	3	8.1%
Purdue University	8,638	5	11.5%	25,118	7	8.2%
University of California-Berkeley	8,353	6	9.1%	31,022	2	9.8%
University of Wisconsin-Madison	8,314	7	9.8%	23,063	8	5.7%
Texas A & M	8,177	8	4.2%	22,607	9	1.9%
Georgia Tech	7,506	9	24.3%	25,716	6	2.1%
Mean (excluding Purdue)	\$10,075		8.3%	\$27,647		5.0%
Purdue index to mean	0.86			0.91		

Concepts of Budget Planning/Legislative Process

February 12, 2010

