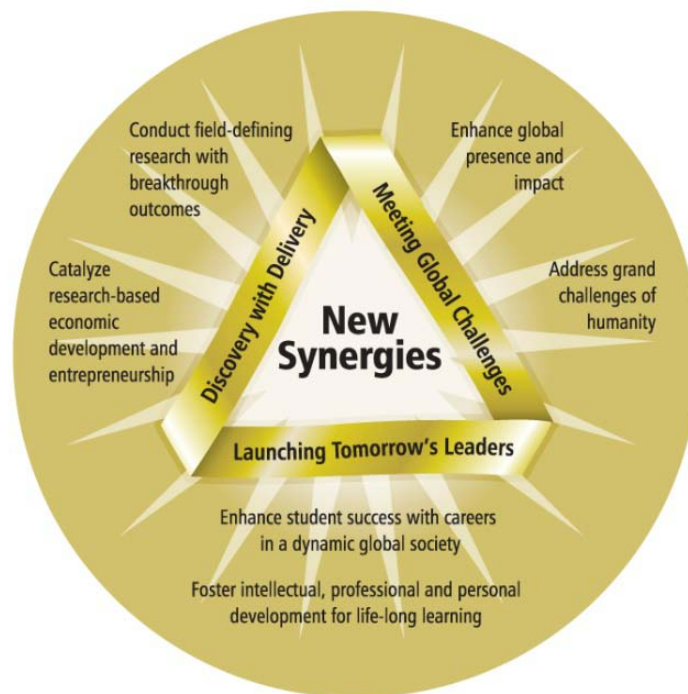


PURDUE

UNIVERSITY



GOVERNANCE REPORT TO THE BOARD OF TRUSTEES

FINAL SYSTEM-WIDE OPERATING BUDGET FY 2012

General Funds
Restricted Funds
Auxiliary Enterprises
Student Aid

September 29, 2011

FY 2012 Operating Budget Highlights Changes from Prior Fiscal Year

West Lafayette Campus

- Overall Budget
 - 3.0% Decrease in Operating Appropriations from FY 2011 – (\$7,275,688)
 - 3.5% General biennial increase for Resident and Nonresident Students
\$91 Student Fitness and Wellness Fee
 - 2.0% Mandatory Budget Reduction from Departments – (\$9,900,000)
 - 1.7% Overall Merit, EMME, and Promotion Salary Increases
 - 0.0% Increase in Supply and Expense Budgets

- Compensation and Mandatory Cost Increases
 - Benefits – \$2.1 million
 - Fuel, Utilities, and Insurance – \$2.6 million
 - Repair and Rehabilitation – \$0.1 million
 - Plant Expansion – \$0.8 million

- Recurring Expenditure Allocations (As a Percent of Total Allocations)
 - 15.8% to Remissions and Scholarships
 - 9.4% to Mandatory Cost
 - 25.3% to Compensation
 - 53.1% to Strategic Allocations
 - -3.6% to Debt Service

- Student Aid
 - 6.6% Increase in Scholarship and Grants
 - 14.3% Decrease in Institutional and Statutory Fee Remissions
 - 2.7% Increase in Loans
 - 5.2% Increase in Employment and Employment Related
 - 4.0% Increase in Total

Regional Campuses

	Purdue University Calumet	Indiana-Purdue Fort Wayne	Purdue North Central
Appropriations	0.4%	2.0%	6.3%
Budget Reductions	0.0%	0.0%	0.0%
Student Fee Revenue	5.0%	5.3%	4.1%
Merit, EMME, and Promotion	2.2%	2.2%	2.3%
Total Student Aid	2.7%	3.4%	1.2%
Supply and Expense Budgets	0.0%	0.0%	0.0%
Tuition and Fees Rate-Res. & Non-Res.	2.5%	2.5%	2.5%

FY 2011 and FY 2012 General Fund Budgets by Revenue Source

General Fund Revenues	West Lafayette			Purdue University Calumet			Indiana-Purdue Fort Wayne			Purdue North Central		
	FY 2011 Budget	Proposed FY 2012 Budget	Percent Change	FY 2011 Budget	Proposed FY 2012 Budget	Percent Change	FY 2011 Budget	Proposed FY 2012 Budget	Percent Change	FY 2011 Budget	Proposed FY 2012 Budget	Percent Change
Operating Appropriation	\$241,119,044	\$233,843,356	-3.0%	\$26,750,801	\$26,844,940	0.4%	\$37,816,896	\$38,563,050	2.0%	\$12,299,238	\$13,073,588	6.3%
Debt Service Appropriation	27,614,524	25,150,230	-8.9%	1,491,824	1,490,058	-0.1%	5,980,642	5,412,164	-9.5%	0	0	0.0%
Student Fees	546,357,910	574,349,525	5.1%	51,179,218	53,741,052	5.0%	61,641,277	64,886,333	5.3%	15,857,250	16,502,176	4.1%
Facilities and Admin Recovery	56,700,000	59,450,000	4.9%	305,000	750,000	145.9%	150,000	175,000	16.7%	65,000	65,000	0.0%
Interest Income	16,500,000	18,500,000	12.1%	1,225,000	1,500,000	22.4%	1,000,000	1,600,000	60.0%	300,000	300,000	0.0%
Other Income	19,086,705	22,548,179	18.1%	580,000	670,000	15.5%	1,327,682	1,626,764	22.5%	893,000	893,000	0.0%
Total Revenues	\$907,378,183	\$933,841,290	2.9%	\$81,531,843	\$84,996,050	4.2%	\$107,916,497	\$112,263,311	4.0%	\$29,414,488	\$30,833,764	4.8%

FY 2012 General Fund Budget: Revenue Changes, Reallocations, and Expenditure Allocations

Revenue Changes	West Lafayette	PUC	IPFW	PNC
Operating Appropriation	\$ (7,275,688)	\$ 94,139	\$ 746,154	\$ 774,350
Debt Service Appropriation	(2,464,294)	(1,766)	(568,478)	0
State Appropriations	\$ (9,739,982)	\$ 92,373	\$ 177,676	\$ 774,350
Resident Fees	\$ 6,361,950	\$ 998,142	\$ 1,389,543	\$ 402,312
Nonresident Fees	12,390,350	270,882	164,735	18,158
International Student Tuition	830,000	0	0	0
Repair and Rehabilitation Fees	140,000	131,000	23,025	22,106
New to Campus Student Success Fee	4,100,000	0	0	0
Designated Student Fees	2,523,230	0	15,290	0
Other Fee Revenue	1,055,000	0	0	0
Enrollment Change	591,085	1,161,810	1,652,463	202,350
Student Fees	\$ 27,991,615	\$ 2,561,834	\$ 3,245,056	\$ 644,926
Facilities and Administrative Expense Recovery	\$ 2,750,000	\$ 445,000	\$ 25,000	\$ 0
Interest Income	2,000,000	275,000	600,000	0
Other Income	3,461,474	90,000	299,082	0
Revenue Increase	\$ 26,463,107	\$ 3,464,207	\$ 4,346,814	\$ 1,419,276
Budget Reductions from Units	\$ 13,851,174	\$ 0	\$ 0	\$ 0
Budget Reallocations	5,172,961	0	485,362	0
Total Revenue and Reallocations	\$ 45,487,242	\$ 3,464,207	\$ 4,832,176	\$ 1,419,276
Expenditure Allocations	West Lafayette	PUC	IPFW	PNC
Salary Increases and Adjustments	\$ 6,946,200	\$ 874,926	\$ 1,100,000	\$ 343,694
Faculty Change in Academic Rank	806,540	78,200	37,050	45,900
Benefits Related to Salary Increase	1,638,400	225,200	266,650	69,786
Benefits	2,142,101	703,732	820,587	193,889
Total Compensation Increases	\$ 11,533,241	\$ 1,882,058	\$ 2,224,287	\$ 653,269
Fuel, Utilities, and Insurance	\$ 2,564,620	\$ 187,350	\$ 1,157,585	\$ 2,546
Repair and Rehabilitation	60,000	131,000	23,025	22,106
Plant Expansion	788,706	103,000	0	0
Miscellaneous Unavoidable Costs	850,871	171,350	167,351	60,284
Mandatory Cost Increases	\$ 4,264,197	\$ 592,700	\$ 1,347,961	\$ 84,936
Remissions and Scholarships	\$ 7,212,708	\$ 31,650	\$ 362,884	\$ 205,618
Launching Tomorrow's Leaders	16,125,726	83,019	111,815	41,695
Discovery with Delivery	4,917,104	0	0	0
Meeting Global Challenges	500,000	0	0	0
Overarching	2,590,698	700,873	1,353,707	250,000
Carry Forward for Future Budget Commitments	0	175,673	0	183,758
Debt Service from Appropriations	(2,464,294)	(1,766)	(568,478)	0
Other Debt Service Allocation	807,862	0	0	0
Total Expenditure Allocations	\$ 45,487,242	\$ 3,464,207	\$ 4,832,176	\$ 1,419,276

FY 2012 Expenditure Allocations by Strategic Initiative	
Launching Tomorrow's Leaders	
Academic Program Enhancements	\$ 12,291,726
Student Support	1,485,000
Faculty Support	2,349,000
Total Launching Tomorrow's Leaders	\$ 16,125,726
Discovery with Delivery	
Research Support	\$ 2,197,500
Sponsored Program Cost Sharing	1,119,604
Strategic Discovery Initiatives	600,000
Faculty Support	500,000
Research Compliance and Integrity	500,000
Total Discovery with Delivery	\$ 4,917,104
Meeting Global Challenges	\$ 500,000
Overarching	\$ 2,590,698
Remissions and Scholarships	\$ 7,212,708
Compensation and Mandatory Cost Increases	\$ 15,797,438
Debt Service	\$ (1,656,432)
Total Expenditure Allocations	\$ 45,487,242

General Funds FY 2012	
Academic Areas	
Engineering	\$ 65,662,834
Science	64,823,655
Agriculture	40,789,518
Liberal Arts	40,016,644
Health and Human Sciences	28,474,812
Academic Reserves/Provost Initiatives	27,793,981
Libraries	21,067,174
Technology	20,770,081
Management	20,321,962
Veterinary Medicine	15,598,745
Pharmacy	13,303,232
Education	9,218,952
Research Centers and Discovery Park	7,875,436
International Programs	2,768,303
Purdue Extended Campus	2,394,050
Total Academic Areas	\$ 380,879,379
Support Areas	
General Administration	\$ 91,936,888
Student Services	63,347,242
Physical Facilities	48,635,466
Information Technology	46,810,154
Technology Reserve	4,054,324
Engagement	1,954,792
Total Support Areas	\$ 256,738,866
Unavoidables/Other	
Staff Benefits	\$ 156,730,673
Fuel, Utilities, and Other Mandatory Costs	63,225,628
Fee Remissions	51,116,514
Debt Service	25,150,230
Total Unavoidables	\$ 296,223,045
Total General Funds	\$ 933,841,290

Fee Remissions include Total Remissions less Remissions Recovered.

Restricted Funds FY 2012	
Academic Areas	
Agriculture	\$ 124,728,615
Engineering	87,281,822
Science	49,579,818
Research Centers and Discovery Park	43,983,472
Health and Human Sciences	27,347,319
Veterinary Medicine	21,636,703
Pharmacy	13,240,827
Technology	12,401,749
Purdue Extended Campus	12,083,160
Statewide Technology	11,108,534
Management	9,608,219
Liberal Arts	6,097,113
Education	4,429,484
International Programs	1,161,478
Libraries	700,881
Total Academic Areas	\$ 425,389,194
Support Areas	
Physical Facilities	\$ 21,268,692
Engagement	13,616,932
General Administration	9,810,474
Information Technology	3,282,575
Student Services	1,312,471
Total Support Areas	\$ 49,291,144
Total Restricted Funds	\$ 474,680,338

Auxiliary Enterprises FY 2012	
Housing and Food Services	
Campus Housing	\$ 112,623,997
Purdue Memorial Union	18,815,031
Total Housing and Food Services	\$ 131,439,028
Health and Recreational Services	
Athletics	\$ 68,693,639
Student Health Center	8,614,624
Recreational Sports Center	6,518,523
Convos and Lectures	2,021,817
Total Health and Recreational Services	\$ 85,848,603
Service Enterprises	
IT Services	\$ 14,658,355
Other Enterprises	9,663,769
Food Stores	9,334,528
Telephone Office	8,068,500
Printing Services	7,565,381
Transportation	5,087,912
Parking	4,437,342
University Stores	4,326,677
Hall of Music	2,990,595
Mail Services	1,632,059
Airport	492,694
Total Service Enterprises	\$ 68,257,812
Total Auxiliary Funds	\$ 285,545,443

Student Financial Aid FY 2012	
Budgeted Student Aid	
Scholarships and Grants:	
Federal Grants	\$ 44,143,621
Trustee/Presidential Scholarship	24,961,000
State Awards	21,855,000
University Scholarships	21,061,419
Private Awards	12,500,000
Fellowships	11,771,606
University Incentive Grant	11,145,688
Athletic Grant in Aid Awards	9,024,388
General University Grant	8,589,754
Purdue Marquis Scholarship	2,000,000
Purdue Promise	1,253,033
Emerging Urban Leaders Scholarship	555,000
Purdue Opportunity Awards	550,000
Total Budgeted Student Aid	\$ 169,410,509
Other Financial Support (Estimated)	
Institutional Fee Remissions	
	\$ 15,426,903
Loan Programs:	
Federal Loans	\$ 202,942,456
Private Loans	20,000,000
Purdue Loans	5,848,430
Total Loan Programs	\$ 228,790,886
Employment Related:	
Graduate Student Staff Salaries	\$ 85,525,410
Employment Related Fee Remissions	50,873,750
Other Part-Time University Salaries	17,426,249
Other Employment Related Awards	2,350,000
Work Study Salaries	1,594,290
Total Employment Related	\$ 157,769,699
Total Estimated Other Support	\$ 401,987,488
Total Student Financial Aid	\$ 571,397,997

A portion of Scholarships, Grants and Fee Remissions is also budgeted in the General Fund.

General Funds Strategic Plan Allocations FY 2012	
Purdue University Calumet	
Improve Student Success	\$ 156,873
Increase Support for Faculty & Staff Excellence	535,000
Develop Vibrant Campus Community	9,000
	\$ 700,873
Indiana-Purdue Fort Wayne	
Foster Learning and Create Knowledge	\$ 1,194,137
Develop Quality of Place and Experience	109,570
Contribute to the Development of NEI Region	50,000
	\$ 1,353,707
Purdue North Central	
Contingency	\$ 250,000
	\$ 250,000

Auxiliary Enterprises FY 2012	PUC	IPFW	PNC
Auxiliary Enterprises			
Parking	\$ 1,307,500	\$ 2,052,640	\$ 375,000
Student Athletics	982,637	3,439,126	263,113
Student Activities	343,870	1,194,170	109,167
Campus Housing	3,616,766	7,221,261	0
Child Care Center	330,000	0	65,720
Duplicating Service	282,500	730,000	245,000
Transportation Service	49,730	70,000	22,000
Union and Food Service	0	599,831	430,000
Other	185,458	766,234	78,000
Total Auxiliary Enterprises	\$ 7,098,461	\$ 16,073,262	\$ 1,588,000

General and Restricted Funds FY 2012			
	General	Restricted	Total
Purdue University Calumet			
Education	\$ 2,440,407	\$ 320,368	\$ 2,760,775
Engineering, Mathematics and Science	6,796,040	3,091,034	9,887,074
Graduate School	149,277	0	149,277
International Programs	226,032	1,350,000	1,576,032
Liberal Arts and Social Sciences	8,946,276	56,637	9,002,913
Library	1,140,543	0	1,140,543
Management	4,516,969	531,810	5,048,779
Nursing	2,374,838	440,063	2,814,901
Technology	4,328,020	0	4,328,020
Center for Student Achievement	916,009	46,488	962,497
Distance Education and Extended Learning	0	2,365,000	2,365,000
Academic Reserves	1,150,117	0	1,150,117
Support Areas	28,426,110	5,799,178	34,225,288
Unavoidables	23,585,412	0	23,585,412
Total Purdue University Calumet	\$ 84,996,050	\$ 14,000,578	\$ 98,996,628
Indiana-Purdue Fort Wayne			
Division of Continuing Studies	\$ 186,402	\$ 12,681,576	\$ 12,867,978
Division of Org Leadership and Supervision	696,111	0	696,111
IU School of Medicine - Fort Wayne	0	469,217	469,217
Library and Audio Visual Center	1,717,301	0	1,717,301
Richard T. Doerner School of Business	3,379,846	40,000	3,419,846
College of Education & Public Policy	3,260,196	170,000	3,430,196
College of Engineering, Tech and Computer Science	5,089,916	427,973	5,517,889
College of Health and Human Services	3,071,662	1,534,809	4,606,471
College of Visual and Performing Arts	3,134,214	173,473	3,307,687
College of Arts and Sciences	14,050,706	478,473	14,529,179
Academic Reserves	3,579,825	0	3,579,825
Support Areas	33,023,215	3,068,283	36,091,498
Unavoidables	41,073,917	0	41,073,917
Total Indiana-Purdue Fort Wayne	\$ 112,263,311	\$ 19,043,804	\$ 131,307,115
Purdue North Central			
Continuing Education	\$ 103	\$ 3,300,999	\$ 3,301,102
College of Engineering and Technology	1,457,844	13,054	1,470,898
College of Liberal Arts	2,986,425	2,900	2,989,325
Library Audio Visual Center	365,642	0	365,642
College of Business	1,404,060	50,001	1,454,061
College of Science	3,021,957	100,400	3,122,357
Academic Reserves	1,333,312	0	1,333,312
Support Areas	10,680,877	813,770	11,494,647
Unavoidables	9,583,544	0	9,583,544
Total Purdue North Central	\$ 30,833,764	\$ 4,281,124	\$ 35,114,888

Student Financial Aid FY 2012			
	PUC	IPFW	PNC
Budgeted Student Aid			
Scholarships and Grants:			
University Scholarships	\$ 3,201,000	\$ 1,460,457	\$ 318,649
Athletic Grant in Aid Awards	82,000	2,069,379	38,000
State Awards	5,389,000	13,015,197	3,700,270
Private Awards	1,523,000	1,699,217	437,754
Federal Grants	15,375,000	25,121,324	7,713,508
Total Budgeted Student Aid	\$ 25,570,000	\$ 43,365,574	\$ 12,208,181
Other Financial Support (Estimated)			
Institutional Fee Remissions	\$ 261,350	\$ 4,266,191	\$ 299,665
Loan Programs:			
Federal Loans	\$ 43,169,500	\$ 65,408,832	\$ 17,023,713
Private Loans	888,000	2,803,103	191,395
Total Loan Programs	\$ 44,057,500	\$ 68,211,935	\$ 17,215,108
Employment Related:			
Graduate Student Staff Salaries	\$ 1,537,000	\$ 1,167,410	\$ 26,675
Employment Related Fee Remissions	1,580,700	891,049	141,735
Other Part-Time University Salaries	2,000,000	1,949,812	222,770
Work Study Salaries	202,000	419,140	101,312
Total Employment Related	\$ 5,319,700	\$ 4,427,411	\$ 492,492
Total Other Financial Support (Estimated)	\$ 49,638,550	\$ 76,905,537	\$ 18,007,265
Total Student Financial Aid	\$ 75,208,550	\$ 120,271,111	\$ 30,215,446

A portion of Scholarships, Grants and Fee Remissions is also budgeted in the General Fund.

General Funds Budgets FY 2012

	<u>West Lafayette</u>	<u>PUC</u>	<u>IPFW</u>	<u>PNC</u>	<u>Total</u>	<u>Percent</u>
I. Funds Available						
A. Student Fees	\$ 574,349,525	\$ 53,741,052	\$ 64,886,333	\$ 16,502,176	\$ 709,479,086	61.1%
B. State Appropriations						
Operating	233,843,356	26,844,940	38,563,050	13,073,588	312,324,934	26.8%
Debt Service	25,150,230	1,490,058	5,412,164	0	32,052,452	2.8%
C. Facilities and Admin Recovery	59,450,000	750,000	175,000	65,000	60,440,000	5.2%
D. Interest Income	18,500,000	1,500,000	1,600,000	300,000	21,900,000	1.9%
E. Other Income	22,548,179	670,000	1,626,764	893,000	25,737,943	2.2%
Total Revenues	\$ 933,841,290	\$ 84,996,050	\$ 112,263,311	\$ 30,833,764	\$ 1,161,934,415	100.0%
II. Expenditures						
A. Salary and Wages	\$ 457,048,917	\$ 43,891,846	\$ 55,051,798	\$ 16,916,692	\$ 572,909,253	49.3%
B. Supplies and Expense	139,348,653	17,592,709	18,723,618	4,637,024	180,302,004	15.5%
C. Unavoidables						
Staff Benefits	156,730,673	14,881,230	22,736,003	6,393,157	200,741,063	17.3%
Fuel, Utilities, and Other Mandatory Costs	63,225,628	3,457,345	5,182,488	1,851,775	73,717,236	6.3%
Carry Forward for Future Budget Commitments	0	764,212	0	331,716	1,095,928	0.1%
D. Debt Service	25,150,230	1,490,058	5,412,164	0	32,052,452	2.8%
E. Fee Remissions	51,116,514	1,521,050	5,157,240	441,400	58,236,204	5.0%
F. Scholarships and Grants	41,220,675	1,397,600	0	262,000	42,880,275	3.7%
Total Expenditures	\$ 933,841,290	\$ 84,996,050	\$ 112,263,311	\$ 30,833,764	\$ 1,161,934,415	100.0%

Total System FY 2011 Adjusted Budget Compared to FY 2012 Budget

<u>FY 2011</u>	<u>West Lafayette</u>	<u>PUC</u>	<u>IPFW</u>	<u>PNC</u>	<u>Total</u>
General	\$ 907,378,183	\$ 81,531,843	\$ 107,916,497	\$ 29,414,488	\$ 1,126,241,011
Restricted	470,795,295	15,618,090	16,002,598	4,646,490	507,062,473
Auxiliary Enterprises	279,861,227	7,004,521	14,734,001	1,583,280	303,183,029
Student Aid	158,882,464	25,473,000	42,713,547	12,301,145	239,370,156
Total	\$ 1,816,917,169	\$ 129,627,454	\$ 181,366,643	\$ 47,945,403	\$ 2,175,856,669

<u>FY 2012</u>	<u>West Lafayette</u>	<u>PUC</u>	<u>IPFW</u>	<u>PNC</u>	<u>Total</u>
General	\$ 933,841,290	\$ 84,996,050	\$ 112,263,311	\$ 30,833,764	\$ 1,161,934,415
Restricted	474,680,338	14,000,578	19,043,804	4,281,124	512,005,844
Auxiliary Enterprises	285,545,443	7,098,461	16,073,262	1,588,000	310,305,166
Student Aid	169,410,509	25,570,000	43,365,574	12,208,181	250,554,264
Total	\$ 1,863,477,580	\$ 131,665,089	\$ 190,745,951	\$ 48,911,069	\$ 2,234,799,689

<u>% Change FY 2011 to FY 2012</u>	<u>West Lafayette</u>	<u>PUC</u>	<u>IPFW</u>	<u>PNC</u>	<u>Total</u>
General	2.9%	4.2%	4.0%	4.8%	3.2%
Restricted	0.8%	-10.4%	19.0%	-7.9%	1.0%
Auxiliary Enterprises	2.0%	1.3%	9.1%	0.3%	2.3%
Student Aid	6.6%	0.4%	1.5%	-0.8%	4.7%
Total	2.6%	1.6%	5.2%	2.0%	2.7%