• Overview of Academic Year Initiatives
• Policy Implementation
• Faculty Fellows
• Preview of the Decadal Funding Plan
• Discussion
STUDENT-FOCUSED INITIATIVES

- Foundations of Excellence
- Honors College
- Core Curriculum & Discovery College
- JPUR
- CSEL
- Annual Review of Graduate Students
FACULTY-FOCUSED INITIATIVES

• COACHE Survey
• Promotion & Tenure Task Force
• Faculty Retention Study
• Cluster Hiring Program
• Ongoing Programs
  ▪ Leading Faculty
  ▪ Retention Fund
  ▪ Strategic Hiring
  ▪ Dual Career Assistance
  ▪ Distinguished Women Scholars
  ▪ 2nd Annual Conf. for Pre-tenure Women
INSTITUTIONAL INITIATIVES

• Computer & Information Science, Technology and Engineering Task Force
• Academic Program Assessment
• Beijing Office
• Risk Management
POLICY IMPLEMENTATION

• Faculty Grievance Policy
  – Faculty Mediation Committee:
    ▪ Rebecca Doerge, chair (Science)
    ▪ Eckhard Groll (Engineering)
    ▪ Ananth Iyer (Krannert)
    ▪ Shelley MacDermid Wadsworth (HHS)
    ▪ Joan Fulton (Ag)
    ▪ Alternate: Jon Harbor (Science)
• Conflict of Commitment and Reportable Outside Activity Forms now in effect
• Conflict of Outside Financial Interests now in effect
FACULTY FELLOWS

• ACE Fellows:
  ▪ Andrew Buckster (Anthropology) Cornell; interdisciplinary initiatives
  ▪ Ananth Iyer (Krannert) Chicago, NYU and Minnesota; interdisciplinary initiatives

• Provost Fellows:
  ▪ Jay McCann (Political Science) faculty retention
  ▪ Frank Dooley (Agriculture) IMPACT
  ▪ Elizabeth Taparowsky (Biological Sciences) research incentives, VPR Office
  ▪ Greg Michalski (Chemistry/EAS) undergraduate research
DECADAL FUNDING PLAN OVERVIEW
September 7th, 2011
Tim Sands, Provost
“If you don’t know where you are going, any road will get you there”

Lewis Carroll
### CRACKING THE TOP 10 – WHAT IT WILL TAKE

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>PURDUE 2001</th>
<th>PURDUE 2011*</th>
<th>2011 TOP 15 PUBLIC AVG.*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STUDENT SUCCESS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance Rate</td>
<td>80%</td>
<td>68%&lt;sup&gt;2011&lt;/sup&gt;</td>
<td>44%</td>
</tr>
<tr>
<td>% in top 10% of HS Class</td>
<td>27%</td>
<td>37%&lt;sup&gt;2010&lt;/sup&gt;</td>
<td>83.5%</td>
</tr>
<tr>
<td>6-Yr. Graduation Rate</td>
<td>64%</td>
<td>70%&lt;sup&gt;2010&lt;/sup&gt;</td>
<td>85.2%</td>
</tr>
<tr>
<td><strong>FACULTY RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class Size 1-19 Students</td>
<td>36%</td>
<td>38%</td>
<td>42.8%</td>
</tr>
<tr>
<td>Total Compensation</td>
<td>$110K</td>
<td>$126K</td>
<td>$143K</td>
</tr>
<tr>
<td><strong>RESEARCH EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D Science &amp; Engineering</td>
<td>$254.9M</td>
<td>$453.8M</td>
<td>$606.0M</td>
</tr>
<tr>
<td>R&amp;D Non-Science &amp; Engineering</td>
<td>n/a</td>
<td>$70.3M</td>
<td>22.7M</td>
</tr>
<tr>
<td><strong>ECONOMIC DEVELOPMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patents</td>
<td>21</td>
<td>48</td>
<td>77</td>
</tr>
<tr>
<td>Gross License Income Received</td>
<td>$2.2M&lt;sup&gt;+&lt;/sup&gt;</td>
<td>$4.2M</td>
<td>$32.4M</td>
</tr>
<tr>
<td><strong>FINANCIAL RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Expenditures per Stu.</td>
<td>$20,511</td>
<td>$28,031</td>
<td>$40,917</td>
</tr>
</tbody>
</table>

*2009 data unless indicated otherwise; Top 15 refers to 2011 USN&WR ranking, published Aug. 2010, based on 2009 data
<sup>+</sup> Adjusted Gross License Income Received

Note: Data is for WL campus only. Source: Purdue Office of Institutional Research and Office of the Treasurer
TOPICS

• About Purdue’s Budget
  – What is Purdue’s Budget History?
  – What is Purdue’s Total Budget?
  – What is Included in the Budget?
  – Where Does the Money Come From?
  – What is the Budget Outlook?

• Decadal Funding Plan
  – Growth Through Big Ideas
  – Enablers

• Next Steps
SOURCES OF REVENUE: 10-YEAR HISTORY

WEST LAFAYETTE

Total = $1.1 B

- $264.7 M
- $156.0 M
- $252.9 M
- $251.7 M

FY 02

Total = $1.9 B

- $169.4 M
- $446.7 M
- $311.7 M
- $100.5 M
- $574.3 M
- $259.0 M

FY 12

- Student Aid
- Auxiliary and Other Restricted
- Sponsored Pgms (Research)
- Facilities and Admin Recovery, Int. and Other Inc.
- Student Fees
- State Approp
Purdue WL has four sources of funding for the operating budget ($1.8 B). General Fund makes up only half the total.

Revenue Sources
FY 2011

- General Fund: 50%
- Restricted Funds: 26%
- Self-Supp. Auxiliary Fund: 15%
- Budgeted Student Aid: 9%
90% of General Fund comes from two sources: student tuition & fees and state funds.

FY 2011 $907.4 M

- Student Tuition & Fees: 60%
- State Support: 30%
- Other Income*: 10%

*Other Income includes F&A, interest income and administrative overhead recovery
GENERAL FUND INVESTMENT ANALYSIS
BECOMING THE UNIVERSITY WE ARE TODAY

Uses of the $202.2 M

- $32.0 M – Scholarships
- $31.5 M – Fee Remissions
- $23.9 M – Information Technology
- $23.8 M – Direct Support for Research
- $23.0 M – New Faculty Lines
- $14.6 M – Support for Acad. Pgms.
- $13.4 M – Repair and Rehabilitation
- $9.6 M – Plant Expansion

- $6.7 M – Debt Service
- $5.1 M – Faculty Retention & Support
- $3.9 M – Library Serials
- $2.2 M – Diversity Initiatives
- $1.9 M – Engagement
- $1.6 M – Advancement

Note: Excludes ARRA funds for applicable years. Excludes internal reallocation of funds.
STATE APPROPRIATIONS AND TUITION & FEE REVENUE

Graph source: IPEDS, includes all state appropriations. Estimated for 2010-11.
Graph note: Excludes ARRA funds for applicable years.
Table source: *USN&WR, Public, 2010
**WHAT IS THE BUDGET OUTLOOK?**

**WEST LAFAYETTE – “ORGANIC GROWTH”**

<table>
<thead>
<tr>
<th>FY 12</th>
<th>Total = $1.9 B</th>
<th>FY 22</th>
<th>Total = $2.4 B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$768.8 M</td>
<td>Student Aid</td>
<td>$207.2 M</td>
</tr>
<tr>
<td>State Approp.</td>
<td>$331.5 M</td>
<td>Auxiliary and Other Restricted</td>
<td>$579.5 M</td>
</tr>
<tr>
<td>Facilities and Admin Recovery, Interest and Other Income</td>
<td>$123.5 M</td>
<td>Sponsored Programs (Research)</td>
<td>$389.1 M</td>
</tr>
<tr>
<td>$574.3 M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$259.0 M</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>$169.4 M</td>
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</tbody>
</table>

**Note:** Figure is in nominal dollars. Adjusting for real dollars would result in a 1.7% total increase ($32 M) over the 10-year period.
**Goal:** Identify new resource opportunities that will enhance the excellence and reputation of all aspects of the university’s mission, and alleviate reliance on student tuition and fees and state appropriations.

**Changing environment:**
- Commercialization and entrepreneurship
- Pervasive use of information technology
- Emphasis on partnerships and “system” approach
- Impact of globalization

**Structure:**
- Executive Council
- Steering Committee/Subcommittees
- Resource Roundtables
- Benchmarking
IDEA GENERATION

1 IDEAS
- Faculty
- Staff
- Students
- Resource Roundtables
- Subcommittees
- Institutional Benchmarking

2 ANALYSIS
- Steering Committee
- Subcommittees
- External advisors: Cornell, Huron, etc.
- Administration
- Board of Trustees

3 THEMES
- Effective and Efficient Purdue
- Innovative Purdue
- Global Purdue
**March 13**  
Ideas solicited

**March 28**  
Steering Committee kick-off

**April – May**  
- Roundtables
- Identified 13 resource areas
- Benchmarking

**May 19**  
Subcommittee forum

**May – June**  
Subcommittee idea generation

**June 9-10**  
Visit by Cornell

**June 29**  
Steering Committee retreat

**July**  
Identify and analyze big ideas

**August 18**  
Presentation to Trustees
STRENGTHS AND WEAKNESSES

Strengths

- Growing and increasingly diverse funding portfolio
- Robust physical and IT infrastructure
- Excellent and improving global reputation
- Strong alumni support
- State in a relatively favorable fiscal situation

Weaknesses

- Challenges in recruitment and retention of faculty
- Small and declining number of H.S. graduates in Indiana
- No medical school
- Modest footprint outside northern Indiana
OPPORTUNITIES & THREATS

Opportunities

- Fill technology development gap
- Utilize global brand to become global university
- Use summer to expand enrollment and increase throughput
- Expand online presence
- Expand footprint

Threats

- Reduced Federal support for research and student financial aid
- Continued decline in state appropriations
- Erosion in students’ ability to pay
- Growing resource gap with private universities
- Lack of clear pact with State
Efficient and Effective Purdue

- Sustaining New Synergies
- Academic Program Assessment
- Improve Utilization of Assets

Innovative Purdue

Global Purdue
EXPANDED SUMMER SESSION

• Could expand effective enrollment by 25% with full utilization.

• Benefits:
  − Higher tuition and fee revenues without raising rates
  − Greater flexibility for students and faculty
  − Shorter time to degree
  − Would allow us to take advantage of increasing demand from well-prepared students, without sacrificing profile
GROWTH THROUGH BIG IDEAS

Efficient and Effective Purdue
- Sustaining New Synergies
- Academic Program Assessment
- Improve Utilization of Assets

Innovative Purdue
- Contract Research Entity
- Venture Fund for Commercialization of Faculty Research
- Academy for Entrepreneurship

Global Purdue
EXAMPLE:
VENTURE FUND FOR COMMERCIALIZATION

Translational Research → Purdue’s Investment → Commercialization

“Valley of Death”
VENTURE FUND FOR COMMERCIALIZATION

Invest in faculty research. Deliver innovation.
GROWTH THROUGH BIG IDEAS

Efficient and Effective Purdue
- Sustaining New Synergies
- Academic Program Assessment
- Improve Utilization of Assets

Innovative Purdue
- Contract Research Entity
- Venture Fund for Commercialization of Faculty Research
- Academy for Entrepreneurship

Global Purdue
- Expanding Purdue Online
- Expanding Purdue’s Footprints
EXAMPLE: EXPANDING PURDUE ONLINE
Global network. New industry, government, institution and research partnerships. Degree programs. Life-long learning.
ENABLERS

Private Giving
- Increase funding support for strategic initiatives

Information Technology
- Emphasize research and technology innovation

Legislative Support
- Foster continued State support for Purdue
- New compact?

Transformative Budget Model
- Implement model that incentivizes and rewards innovation
A LOOK FORWARD
PURDUE SYSTEM

FY 02
Purdue System
$1.2 B

FY 12
Purdue System
$2.2 B

FY 22
Decadal Funding Plan
Total = $4.1B
Purdue System
$2.9 B
NEXT STEPS

To Implement Now

- Budget Planning on a 10-Year Cycle
- Incorporate Incentives into the Budget Model
- Sustaining New Synergies
- Academic Program Assessment
- Early Stages of Online Education
- Commercialization and Entrepreneurship Initiatives
- Implement Philanthropy Model – Phase II

To Develop Further

- Overall Financial Model
- Compact with State
- Implement Philanthropy Model – Phase III
- Broad/Overall Online Education Strategy
- Information Technology Strategy
- Model for Expanding State, National and Global Footprints