

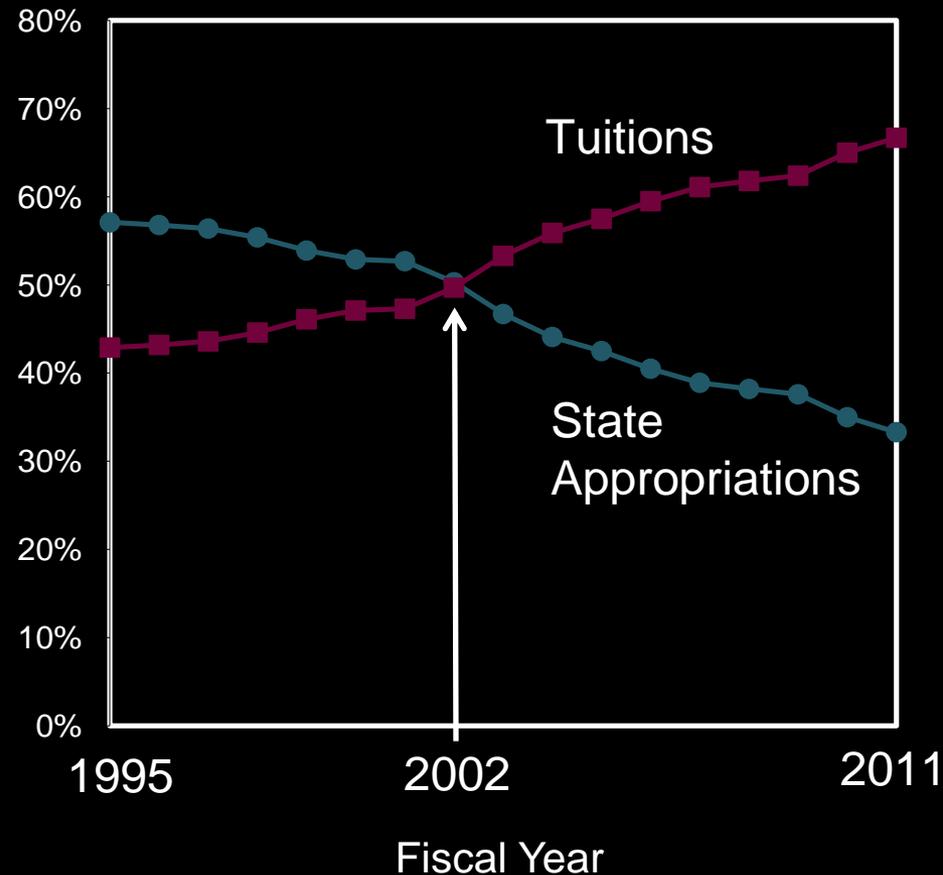
Decadal Plan Update

January 23rd, 2012 • University Senate • Tim Sands



CONTEXT

- Purdue invested ~\$1B over the past decade above inflation to grow the discovery enterprise and the faculty
- With declining state appropriations, the primary source of funds was tuition and fees
- **NOT SUSTAINABLE**, yet we need to continue to invest



FISCAL CHALLENGES

- F&A recovery from sponsors falls short by about \$0.25 for every dollar of sponsored program awards
- R&R not reliably funded by the state, nor is new construction
- State appropriations decline by ~1% per year in real dollars; >4% annually over the past two biennia

STRENGTHS

- Steadily increasing level of academic preparation and diversity among applicant pool
- Significant improvements in all measures of student success
- Very strong global reputation
- Statehouse recognizes economic impact of Purdue, >\$10 for every \$1 of operation appropriation.

DECADAL FUNDING PLAN

- Envision Purdue in 2022; plot trajectory and stay on it
- Continue to save (*Sustaining New Synergies* at \$67M recurring)
- Find new sources of revenue
- Unleash/enable/incentivize creativity and talent of faculty, staff and students

PROCESS

- **March 2011** – Solicited Big Ideas from faculty and staff
- **March, April** – Formed Steering Committee with 13 resource-area subcommittees
- **March-June** – Faculty roundtables; Cornell visit; nine peer institutions benchmarked
- **April-July** – ideas vetted, refined by subcommittees
- **June, July** – nine Big Ideas in three categories selected for further development
- **August - present** - financial models and preliminary implementation plans developed; Plan presented and discussed with stakeholders

DECADAL INITIATIVES

Efficient and Effective Purdue

- Sustaining New Synergies
- Academic Program Assessment
- Improving Utilization of Assets – Towards Balanced Trimester

Global Purdue

- Bringing the World to Purdue
- Expanding Purdue's Footprint
- Reinventing Purdue Online

Innovative Purdue

- Innovation & Commercialization Center
- Applied Research Institute
- International Academy

Enablers

Private Giving

Information Technology

Legislative Support

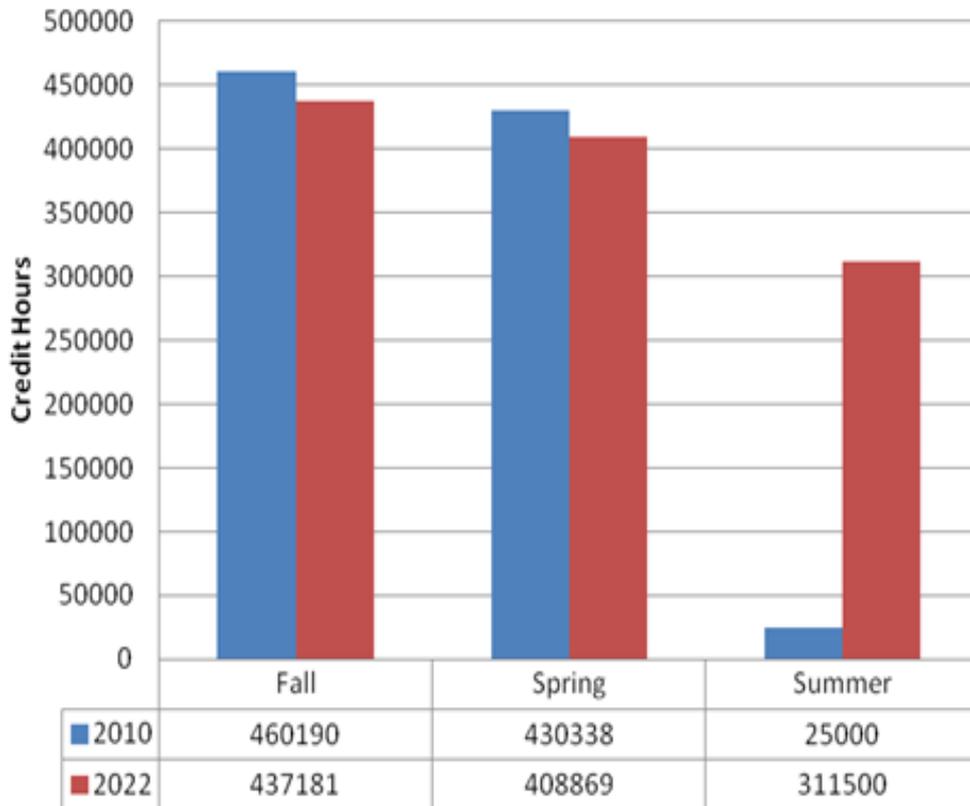
Transformative Budget Model

SUMMER STATUS

- Purdue – WL campus largely idle in the summer; 6,000 undergraduates; 7% of fall credit hours
- Disincentivizing budget model; lack of course offerings; compressed schedule
- Lack of summer academic options limits fall/spring internships for students; fall/spring travel and research for faculty
- Only 42% of baccalaureate seekers complete in four years

A PLAN FORWARD

Evolution of Trimester Credit Hours



- Build summer credit hours from 7% to 35% of fall.
- Flip calendar in ~2020 from two semesters of 15 instructional weeks to three trimesters of 13 instructional weeks.
- Build summer trimester to 70% of fall, with >20,000 students in residence and an annual increase of 25% in student credit hours

BENEFITS

- More flexibility for students; Increased 4-yr graduation rates
- More flexibility for faculty
 - Some may teach three trimesters for additional compensation
 - Some may choose fall or spring as a “research” trimester
 - Minimal disruption for those who stay on fall-spring cycle
- Net revenues estimated at \$40M annually
 - revenue of \$190M – cost of \$150M
 - Better utilization of fixed assets
 - Faculty numbers will need to increase
- Enhanced local economy

CAVEATS AND CONDITIONS

- Current momentum in enhanced undergraduate applicant profile and demand must be maintained
- Budget model must incentivize summer for both students and faculty
- Calendar will not be altered until summer utilization is substantially enhanced (target: 35% of fall)

UNIVERSITY SENATE ROLE

- Building Summer (2012-2020)
- Calendar change to Trimester (~2020)
 - M-F scheduling (e.g., move to 60 and 120 minute standard periods; accommodating blended learning)
 - Academic Calendar (e.g., start fall after labor day, end spring in late April; breaks; holidays; exam schedules; modular trimesters).
 - Definition of faculty academic year and compensation options
 - Definition of full load for faculty and students
 - Timing of transition

NEXT: INNOVATION & COMMERCIALIZATION CENTER

- Purdue is strong in discovery and start-ups (#6 last year), but weak in net licensing revenue (\$4.2M in 2010 compared to mean of \$32.4M for top 15 public universities)
- Seed grant, step-up funds and supporting resources for Purdue faculty, staff and students who wish to enhance the value of their inventions and move them faster toward commercialization
- Initial funding of \$1M from alumni gifts – no general funds
- More details tomorrow morning...

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Thank you