



BOARD APPROVED
August 7, 2020
Janice Indrutz
Corporate Secretary

Office of the Chief Financial Officer and Treasurer

To: Members of the Board of Trustees

From: Christopher A. Ruhl, Chief Financial Officer and Treasurer
Eva M. Nodine, Associate Vice President - Finance

Date: July 27, 2020

Re: Approval of 2021-2023 Line Item Budget Requests

In addition to operating, fee replacement, repair and rehabilitation and cash capital appropriations, the State of Indiana funds certain specific activities for Indiana’s public colleges and universities, referred to as line items. We are seeking Trustee approval to request line item appropriations for the University totaling \$30.6 million for FY 2022 and \$31.4 million for FY 2023.¹

As shown in Table 1 below, we are recommending requesting a modest increase for the University’s line items as follows.

Salary and Fringe Benefit Increases. We are recommending increases of 3.0% for salaries and 5.0% for fringe benefits for the Agricultural Research and Extension-Crossroads, County Agricultural Extension Educators, Purdue Polytechnic Statewide, and the Center for Paralysis Research line items. This request totals \$817,532 for FY 2022 and \$847,429 for FY 2023.

Indiana Technical Assistance and Advanced Manufacturing Competitiveness Program. In 2020, Purdue University combined the state line item initiatives of the Technical Assistance Program (TAP) and the Indiana Next Generation Manufacturing Competitiveness Center (IN-MaC). The primary objective for both of these programs is to provide statewide resources to assist Hoosier businesses and industry partners remain globally competitive, enhancing capital investment and job creation and retention in Indiana. As we continue to fully coordinate and integrate these initiatives and achieve savings through gained efficiencies, we request to maintain the current budget and recommend foregoing a request for salary and fringe benefit increases for the FY 2021-23 biennium.

Purdue Polytechnic Statewide. We are recommending non-recurring support for two years, \$130,000 per year, for the development and implementation of Statewide cross-location software and hardware infrastructure. To fully extend Purdue West Lafayette’s Polytechnic programs across the state of Indiana, we are collaborating on new instructional models that will allow courses to be taught online across the nine Statewide locations. It is anticipated instructional savings over time will sustain the maintenance of this infrastructure beyond the FY 2021-23 biennium.

¹ These amounts are exclusive of the Wine Grape Market and Veterinary Research dedicated funds calculated pursuant to statutorily defined formulas and the dual credit line-item which is a formulaic calculation by the Commission. Line item requests will be submitted consistent with these prescribed formulas.

Purdue Fort Wayne. Following extensive planning and research into regional workforce needs, assessment of the current curriculum offered on the PFW campus and the results of the realignment of IPFW, PFW is recommending a new line item in the amount of \$2 million for the following programmatic areas identified for strategic growth:

- Materials, Biomaterials and Bioengineering
- Data Science, Applied Statistics and Computer Information Systems
- Strategic and Risk Management, Financial Services and Financial Information Systems

We recommend seeking this funding as a state line item for a period of three (3) years to allow the campus to build enrollment and transition these programs to become self-sustaining.

Table 1: Summary of University Line-Item Requests

Line Item Requests	FY 2021 Appropriation	FY 2022 Incremental REC Request	FY 2023 Incremental REC Request
Purdue West Lafayette			
Ag Research and Extension-Crossroads	\$ 8,492,325	\$ 236,185	\$ 245,027
County Agricultural Extension Educators	7,487,816	250,191	259,450
Purdue Polytechnic Statewide ⁽¹⁾	6,695,258	444,824	326,335
Center for Paralysis Research (CPR)	522,558	16,333	16,617
IN Technical Assistance and Advanced Manufacturing Competitiveness Program	4,430,212	-	-
PWL Line Item Requests	\$ 27,628,169	\$ 947,532	\$ 847,429
Purdue Fort Wayne			
Academic Expansion ⁽²⁾	\$ -	\$ 2,000,000	\$ -
PFW Line Item Requests	\$ -	\$ 2,000,000	\$ -
Purdue Total Line Item Requests	\$ 27,628,169	\$ 2,947,532	\$ 847,429

1) The Polytechnic Statewide \$130K IT Infrastructure request is non-recurring for 2 fiscal years, with FY22 as Year 1.
2) The PFW Academic Expansion is a non-recurring request for a period of 3 fiscal years, with FY22 as Year 1.

Attachment 1 provides a short program description of each line item. Following your review and approval at the August 7, 2020 meeting, in September, we will submit the prescribed line item budget schedules and tables issued jointly from the Commission for Higher Education (CHE) and the State Budget Agency together with a written narrative describing each line item, noting recent accomplishments and biennial goals and objectives.

- c: President Mitch Daniels
Provost Jay Akridge
Assistant Treasurer Jim Almond
Corporate Secretary Janice Indrutz
Legal Counsel Steve Schultz

Attachment 1

Agricultural Research and Extension/Crossroads

Crossroads funding supports Purdue's College of Agriculture research and extension programs, which are essential to Indiana's agriculture-related industries. These industries are a cornerstone of future economic development and contribute \$44 billion and nearly 190,000 jobs to the Indiana economy.

Crossroads funds support high-impact programs that focus research and extension efforts on highly relevant, timely Indiana issues/opportunities; develop science-based education that is disseminated across the state of Indiana; and leverage other state or federal resources to conduct world-leading research.

Programs include:

- The eight regional Purdue Agricultural Centers (PACs) provide a statewide network supporting research that is directly relevant to producers in the surrounding areas.
- Purdue Plant Disease and Diagnostic Laboratory (PPDL) provides rapid and reliable plant diagnostics that help protect agricultural plant biosecurity in Indiana. The lab diagnoses plant pest and disease problems for farms, the turf industry, nurseries, orchards, greenhouses, and for residents of Indiana.
- Agricultural Science and Extension for Economic Development (AgSEED) funds high priority projects in the areas of innovation in Indiana plant and animal agriculture and innovation in rural entrepreneurship through a rigorous internal competitive proposal process.

County Extension Educators

Since 1914, Purdue Extension has strengthened lives and livelihoods by connecting communities to world class Purdue research and providing local lifelong learning opportunities for Indiana's residents. In accordance with state guidelines, we maintain a strong Extension Educator presence in each county, delivering educational programming to:

- Help Indiana's agriculture industry thrive, with an eye toward providing objective information focused on economic success and environmental responsibility.
- Grow the next generation of leaders and STEM workforce through hands-on learning experience in Indiana 4-H, the state's premier informal youth educational program.
- Assist community leaders, business owners, and decision-makers to foster economic and community development across the state of Indiana.
- Improve the quality of life for individuals and families by providing educational programming related to food, family, money and health.

In addition to assisting with program delivery, funding from the State of Indiana fulfills Purdue Extension's required match to receive federal Smith-Lever funding. We also use state funding as a match on competitive grants to help us further diversify our educational programming options.

Purdue Polytech Statewide Technology

Founded in 1984, Polytechnic Statewide was created to extend Purdue's technology programs across the state to meet Indiana's need for educated technologists, technicians and innovators in communities where highly skilled workers with problem-solving skills are in great demand. Purdue Polytechnic Statewide serves over 1,000 students at its nine locations across the state. Most Statewide graduates remain in the

community where they received their degree, bolstering the local economy and supporting the local industry base with highly qualified graduates in the STEM disciplines.

Center for Paralysis Research

Since its founding in 1987, the Center for Paralysis Research has been the foundation piece in the College of Veterinary Medicine for discovery in the area of traumatic neurological injury and subsequent treatment. The center's groundbreaking work has resulted in novel therapies undergoing both veterinary and human clinical trials and ultimately producing licensed technologies/products. The core mission of the Center for Paralysis Research has been to develop therapies for human spinal cord and brain injury. In recent years, this ideal has expanded to include other diseases of the central nervous system, in particular Parkinson's disease, multiple sclerosis, stroke, and peripheral nerve trauma.

Indiana Technical Assistance and Advanced Manufacturing Competitiveness Program

In 2020, Purdue University combined the state line item initiatives of the long-running Technical Assistance Program (TAP) and the growing, nationally recognized Indiana's Next Generation Manufacturing Competitiveness Center (IN-MaC). Together, TAP and IN-MaC provide support to Indiana industry, state and local government through a coordinated and robust portfolio of applied research and workforce development services with low administrative overhead.

Since TAP's inception over three decades ago, it has assisted approximately 19,000 organizations and trained more than 50,000 employees in its mission to increase Indiana productivity, profitability, and technology adoption in areas of manufacturing, health care quality and safety, energy efficiency, and sustainability. TAP serves employers in every Indiana county, impacting thousands of Hoosier jobs through technical assistance, workforce and leadership development, with an emphasis on Manufacturing Extension Partnership (MEP), Purdue Healthcare Advisors (PHA), and cyberTAP initiatives.

During its eight-year history, IN-MaC has also provided Indiana manufacturers with seamless access to university talent and resources to strengthen the Indiana manufacturing ecosystem through advanced manufacturing technology and digital tools that elevate Indiana as a manufacturing state. IN-MaC increases technology adoption and builds a talent pipeline in its four core program areas: Intelligent Manufacturing Testbed (IMT), Integration and Implementation Services (IIS), Research for Future Competitiveness (RFC), and Education and Workforce Development (EWD).