



To: Members of the Board of Trustees

From: Christopher A. Ruhl, Treasurer and Chief Financial Officer
Eva M. Nodine, Vice President and Deputy CFO

Date: July 28, 2022

Re: Approval of 2023-2025 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 \$29.1 million for both FY 2024 and FY 2025. 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 a one-time increase of salaries and fringe benefits for Agricultural Research and Extension-Crossroads and County Agricultural Extension Educators. This request totals \$1,482,231 for FY 2024 and \$0 for FY 2025. For 2022, Governor Eric Holcomb announced a multi-step process to increase salaries for state employees ensuring that state wages are competitive in today’s market. Both line items for which we are recommending a single adjustment to base salaries have faced challenges in recruiting and retaining top talent, and it aligns with state priorities.

Table 1: Summary of University Line-Item Requests

Line Item Requests	FY 2023 Approp. Base	FY 2024 Incremental REC Request	FY 2025 Incremental REC Request
Purdue West Lafayette			
Ag Research and Extension-Crossroads	\$ 8,492,325	\$ 282,231	\$ -
County Agricultural Extension Educators	7,487,816	1,200,000	-
Purdue Polytechnic Statewide ⁽¹⁾	6,695,258	-	-
Center for Paralysis Research (CPR)	522,558	-	-
IN Technical Assistance and Advanced Manufacturing Competitiveness Program	4,430,212	-	-
Total Line Item Requests ²	\$ 27,628,169	\$ 1,482,231	\$ -

1) Statewide Technology line item name changed to Purdue Polytechnic Statewide.
2) The ADDL line item requests will be submitted for approval to the Indiana State Board of Animal Health on August 23, 2022. Veterinary Research (ESMC) is excluded from this summary.

¹ These amounts are exclusive of the Veterinary Research dedicated fund calculated pursuant to a statutorily defined formula 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.

As you know, Purdue operates, on behalf of the state, the Animal Disease Diagnostic Laboratory (ADDL). ADDL line item requests will be submitted for consideration and approval by the Indiana State Board of Animal Health (BOAH) at their meeting on August 23, 2022. Per statute, any requests for increases in funds for ADDL must originate from BOAH. Based on a recently completed review and study, we do anticipate requests for a modest number of new staff, additional funding for salary and fringe increases and facility upgrades to the lab. The Purdue Board of Trustees will ratify this request at their October meeting.

Attachment 1 provides a short program description of each line-item. Following your review and approval at the August 5, 2022, 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
Corporate Secretary Cindy Ream
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 agri-food system. These industries are a cornerstone of future economic development and contribute \$52 billion to the Indiana economy.

Crossroads funds support high-impact programs that focus research and extension efforts on highly relevant, timely Indiana issues and 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 conducting field crop and animal research while also demonstrating cutting edge production practices and agricultural technology.
- Plant and Pest 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 Agriculture 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 Polytechnic Statewide

Serving Indiana for over 50 years, 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 has conferred approximately 950 Bachelor of Science degrees in STEM disciplines over the last five years 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.

Center for Paralysis Research

Since its founding in 1987, the Center for Paralysis Research (CPR) has played a central role in the research enterprise of the College of Veterinary Medicine. The Center has become known for innovative discoveries in the areas of spinal cord injury (SCI), traumatic brain injury (TBI), and related neurodegenerative diseases (NDs). Over the past quarter century, research at CPR has evolved from its early work on oscillating electric field stimulators to promote axonal regeneration to polymer-based neuronal repair (Polyethylene glycol, or PEG), and drug therapies (4-aminopyridine, aldehyde scavengers) which provide neurorepair, neuroprotection, and restoration of neuronal function following SCI, TBI and NDs. The Center's groundbreaking work has resulted in novel therapies undergoing both veterinary and human clinical trials and FDA approval for clinical application.

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 re-search and workforce development services with low administrative overhead.

Since TAP's inception over three decades ago, it has assisted approximately 20,000 organizations and trained more than 60,000 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 ten-year history, IN-MaC has also provided Indiana manufacturers with seamless access to university expertise and resources in manufacturing workforce development and industrial technology integration to elevate the Indiana manufacturing ecosystem through adoption of manufacturing technology and digital tools. IN-MaC increases technology adoption and builds a talent pipeline in its four core program areas: Intelligent Manufacturing Testbed (IMT), Industrial Implementation Program (I2P), Research for Future Competitiveness (RFC), and Education and Workforce Development (EWD).