



BOARD APPROVED
AUGUST 2, 2024

Cindy Ream
Corporate Secretary

To: Members of the Board of Trustees

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

Date: July 25, 2024

Re: 2025-2027 Line Item Appropriations

Line Item Appropriation Requests

In addition to operating, fee replacement (debt service), facility 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. Table 1, below, shows Purdue’s five line items and their FY25 appropriations. Appropriation changes for these programs are determined by individualized request, separate from the performance metrics used to determine each university’s operating appropriation.

After reviewing each program and their current financial positions, we have determined not to seek appropriation increases from the state for the University’s line items in the next biennium (FY26 and FY27). All programs are operating in a balanced financial position and have the resources needed to continue their missions in the next biennium without additional funding from the state. The Ag Research and Extension - Crossroads and County Agriculture Extension Educators line items received increases in the last biennium of 6.0% and 6.8%, respectively.

Table 1: Summary of Purdue University Line Items

Line Item	FY25 Appropriation	2025-2027 Increase Request
Ag Research and Extension - Crossroads	\$ 9,000,000	\$ -
County Agriculture Extension Educators	\$ 8,000,000	\$ -
Purdue Polytechnic Statewide	\$ 6,695,258	\$ -
Center for Paralysis Research	\$ 522,558	\$ -
Indiana Technical Assistance and Advanced Manufacturing Competitiveness Program	\$ 4,430,212	\$ -
TOTAL	\$ 28,648,028	\$ -

Attachment 1 provides a short program description of each program. Following your review at the August 2, 2024 meeting, we will submit the prescribed line item budget schedules and tables issued jointly from the Indiana Commission for Higher Education (CHE) and the State Budget Agency (SBA) together with a written narrative describing each line item, noting recent accomplishments and biennial goals and objectives.

Line Item Consolidation

In recent months CHE has had discussions with the state's higher education institutions about reducing the number of line items by consolidating existing itemized appropriations into the institutions' main operating appropriation. We are not advocating for consolidation, but our position in these discussions is that the 'Purdue Polytechnic Statewide' and 'Indiana Technical Assistance and Advanced Manufacturing Competitiveness Program' line items are the best candidates for consolidation into the University's base appropriation. The programs supported by these appropriations are broad and closely aligned with the university's core missions and operations, to the extent that future funding for these activities can be tied to the performance metrics used in determining our main operating appropriation rather than needing to be independently determined.

The final outcome of this discussion will be determined by CHE this fall.

Reed Animal Disease Diagnostic Laboratory Appropriations

In addition to the five programs referenced above, Purdue operates, on behalf of the state, the Reed Animal Disease Diagnostic Laboratory (ADDL). Appropriations for ADDL currently flow to Purdue through the line item funding mechanism but, per statute, any requests for increases in appropriations for ADDL must originate from the Board of Animal Health (BOAH). ADDL and BOAH have identified needs for which they will seek increased appropriations from the state in the next biennium. ADDL received a 35% increase in the 2023-2025 biennial budget, bringing it to an annual appropriation of \$5M.

While Purdue will hold a neutral position on this increase request, the state's current budget process may require that the ADDL increase request be submitted through the University to the CHE as part of Purdue's overall 2025-2027 budget submission. We will be working with the appropriate state agencies to request a change in this process such that future funding requests for ADDL will be submitted to the State Budget Agency by BOAH directly, rather than through Purdue.

c: President Mung Chiang
 Provost Patrick Wolfe
 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. 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).