MINUTES

BOARD OF TRUSTEES OF PURDUE UNIVERSITY GLOBAL

REGULAR MEETING ON AUGUST 7, 2020

A meeting of the Board of Trustees of Purdue University Global (PG) convened at 8:40 a.m. on Friday, August 7, 2020, in Room 214 of Stewart Center on the Purdue University campus in West Lafayette, Indiana.

The following trustees were present: Michael Berghoff, chairman; Paul Bott (virtually), JoAnn Brouillette, Malcolm DeKryger and Mike Klipsch. Also in attendance were President Mitch Daniels, Treasurer Chris Ruhl, Chancellor Frank Dooley and Secretary Nancy Decker.

I. CHANCELLOR’S REPORT

Chancellor Dooley began his remarks by reminding the Board of the topical approach taken at each meeting. Today (August) would focus on “Growth,” with December and February being dedicated to “Graduation” and “Reputation,” respectively.

Dr. Dooley informed the Board that the new Provost, Dr. Jon Harbor, was someone familiar to West Lafayette. Jon had started his career at Purdue in a variety of roles including Executive Director of Digital Education and Associate Vice Provost for Teaching and Learning. He was a founding co-director of the Discovery Learning Research Center and Associate Vice President for Research at Purdue. His most recent position was as Executive Vice President and Provost at the University of Montana. Chancellor Dooley stated that Jon was the consummate Purdue professor and had been heavily involved in research and teaching. Dr. Harbor officially started in his new role on August 3, 2020.

Dr. Dooley walked the Board through a brief look at census. He reported that PG measured census differently than West Lafayette, Purdue Northwest and Purdue Fort Wayne, noting that PG measured census as of June 30. PG had 2% growth at June 30, 2019. He stated that, over the past twelve months, PG had grown 14% and the expectation was for strong growth to continue into next year. He reported enthusiasm over the direction of PG in terms of enrollment and noted a shift in growth that was heavily at the bachelors and masters levels. He indicated that the certificate level had fallen, but he anticipated it would increase and that the associate’s degrees had stayed flat.

Chancellor Dooley then announced new offerings in Criminal Justice and Human Services. The new offerings address all the recommendations of Campaign Zero and the Presidential Commission of Policing. The result is new and revised courses with four new micro-credentials: law enforcement’s role in society and social change; leading law enforcement reform; diversity; and social problems, prevention and crisis intervention. He indicated these offerings went live this month (August). Dr. Dooley gave an update on the Contract Tracing certificate and reported that
PG had 20,000 visitors, 7,000 registrations and over 2,000 people who had completed the certificate.

Dr. Dooley then turned to Chris Ruhl, Chief Financial Officer and Treasurer, to report on FY20 financial results. Mr. Ruhl reminded the Board that last fall, when Bill Sullivan presented the FY19 results, he provided an outlook that projected positive recurring operating income for FY20 driven by increased enrollment, better persistence, lower brand spend and operating efficiencies. Mr. Ruhl was pleased to report that PG hit on all four of those measures. He stated that census was up significantly vs June 30, 2019, which led to revenue growth vs. 2019, primarily from census growth and an improved drop rate which resulted in lower bad debt. Strong expense control occurred through a reduction in marketing and admissions expenses and Mr. Ruhl indicated that teaching expenses were flat vs prior year, which was significant given the census increase. Mr. Ruhl reported a positive operating income of $10M on a recurring basis and noted that was a $15M improvement from 2019. He continued his remarks by reminding the Board that, under the agreement, there is a waterfall of cash. He indicated there was sufficient available cash to fund a portion of the Kaplan fee earned with the remainder earned, but deferred. He concluded his remarks stating he was pleased that PG enters FY21 with strong momentum.

Chancellor Dooley ended his report by paying tribute to Morgan Burke. He commented that Morgan was on the advisory committee of Purdue Global and was involved in every aspect of the work to build Purdue Global. He remarked that he did not believe PG would be where it was today without Morgan’s influence. President Daniels commented that Morgan Burke loved this University. He believed Morgan was well matched to assist with the launch of Purdue Global because it needed his steady, business-smart hand and his in depth knowledge of Purdue University. Both gentlemen remarked how much Morgan would be missed.

II. APPROVAL OF MINUTES

Chairman Berghoff asked for a motion to approve the minutes of the regular meeting held on June 11, 2020. Upon proper motion duly made and seconded, the Board voted unanimously to approve the minutes of the June meeting.

III. ADJOURNMENT

By consent, the meeting adjourned at 8:55 a.m.