MINUTES

BOARD OF TRUSTEES OF PURDUE UNIVERSITY GLOBAL

DECEMBER 6, 2019

A meeting of the Board of Trustees of Purdue University Global (PG) convened at 8:31 a.m. on Friday, December 6, 2019, in Room 326 of Stewart Center on the Purdue University campus in West Lafayette, Indiana.

The following trustees were present: Chairman Michael Berghoff, Paul Bott, JoAnn Brouillette, Malcolm DeKryger, Mike Klipsch and Don Thompson. Also in attendance were President Mitch Daniels, Treasurer Bill Sullivan, Chancellor Betty Vandenbosch and Secretary Nancy Decker.

I. APPROVAL OF MINUTES

Chairman Berghoff asked for a motion to approve the minutes of the special meeting held on August 1, 2019, and the regular meeting held on August 2, 2019. Upon proper motion duly made and seconded, the Board voted unanimously to approve the minutes of the August meetings.

II. CHANCELLOR’S REPORT

Chancellor Vandenbosch walked the Board through the rhythm of Board meetings and pointed out that, in August, growth and plans for growth were discussed. Going forward, graduation and student success will be reviewed in December, reputation in February, and budget in June.

Dr. Vandenbosch reported that the overall graduation rate in 2018-2019 was 30 percent and varied widely among degree levels and full-time and part-time students. She said the census is growing in the degree levels in which more students graduate, leading to expectations of a higher graduation rate in the future. Chancellor Vandenbosch stated the graduation rate for 2019-2020 was expected to dip to 29 percent because of decisions made in 2014 regarding the Kaplan Commitment.

Dr. Vandenbosch informed the Board that Purdue Global participates in the National Survey of Student Engagement (NSSE), which assesses the extent to which students engage in educational practices associated with high levels of learning and development. PG students rated their experience very positively compared both to students attending a group of primarily online NSSE-participating institutions and the population at all NSSE participant institutions. She reported that responses had been quite consistent over every two-year interval of the administration. The most notable change was the proportion of seniors who said they would “probably” or “definitely” attend Kaplan/PG again. That rating increased from 86% in 2015, to 90% in 2017, and to 92% in 2019.
Chancellor Vandenbosch then reported the locations for 2020 graduations as follows: Los Angeles – Skirball Center (February), Indianapolis – Murat Theatre (June) and Washington, DC – Warner Theatre (August).

III. APPROVAL OF WAGERING POLICY

Chancellor Vandenbosch recommended approval of applying the Purdue University wagering policy to faculty at Purdue Global, which, she said, the PG Faculty Senate endorsed. Upon proper motion duly made and seconded, the Board voted unanimously to apply the wagering policy to the faculty at Purdue Global.

IV. APPROVAL OF MS IN NURSING AND MBA DUAL DEGREE

Chancellor Vandenbosch recommended approval of a new program: MS in Nursing and MBA Dual Degree. She outlined that demand exists among nurses with aspirations of upper-level management or executive positions with healthcare. She said combining the degrees would uniquely prepare individuals for career opportunities as medical or health services managers. Dr. Vandenbosch informed the Board that the dual degree could be taken in ExcelTrack format or as a blend of traditional and ExcelTrack courses, and she elaborated that the MSN and MSA dual degrees use existing courses and do not require any additional investment in new course development. Upon proper motion duly made and seconded, the Board voted unanimously to approve the new program.

V. FY19 FINANCIAL RESULTS

Treasurer Sullivan presented an overview of the financial position of Purdue Global. He stated that, in FY19, it had $395 million in total revenue and about $400 million in recurring operating expenses, leaving a net change in recurring financial position of negative $5.5 million. That included significant investments in four new programs - data analytics, cloud computing, professional flight, and health quality in patient safety. Mr. Sullivan reported that, by design, an investment of $28.5 million in brand identity and marketing costs was incurred. He indicated an expectation of spending a little more in brand marketing in FY20 but at a substantially reduced level. He pointed out that the Kaplan Higher Education (KHE) administrative fee totaled about $9.3 million, but, while the fee was accrued, it was deferred pursuant to the underlying operating agreement with KHE. He specified that the KHE fee should be about the same amount for FY20 and noted that at June 30, 2019, $37 million of KHE expenses, inclusive of the FY19 $9.3 million KHE administrative fee, had been earned but deferred pursuant to the terms of the operating agreement with KHE. Treasurer Sullivan concluded his remarks by stating in 2020, Purdue Global expects to record a solid operating surplus in recurring net financial position, before the administrative fee, driven by an increase in enrollments, better persistence, lower brand spend and operating efficiencies that will be put in place.

VI. ADJOURNMENT

By consent, the meeting adjourned at 8:47 a.m.