



BOARD APPROVED  
June 5, 2026  
Cindy Ream  
Corporate Secretary

FC – 6/5/26  
BOT – 6/5/26

Office of the Treasurer and Chief Financial Officer

TO: Members of the Board of Trustees

FROM: Christopher A. Ruhl, Executive Vice President, Chief Financial Officer and Treasurer  
Andrew J. Bean, Associate Vice President and Assistant Treasurer

DATE: May 27, 2026

RE: FY 2027 University Operating Budget

We will seek approval of the University's FY 2027 operating budget at the June meeting of the Trustees. This budget includes the 14<sup>th</sup> consecutive year of frozen mandatory tuition and fees on the main campus, extending the University's commitment to affordability, while operating within a structurally balanced framework and investing in initiatives that deliver meaningful benefits to students and the state of Indiana.

Attached is the presentation we plan to review at the meeting.

Highlights:

- System-wide steady-state operating revenues of \$3.379 billion exceed steady-state operating expenses of \$3.297 billion, resulting in an operating margin of \$82 million. As a reminder, operating expenses and margins do not include capital project investments. Any operating margins realized by the University are subsequently invested in facility renovations and expansions.
- Total system revenue is expected to grow 0.9% compared to FY 2026. This increase is primarily driven by growth in investment income, auxiliary revenues (student housing and dining, athletics), online program enrollments and non-mandatory fee changes approved one year ago.
- Expense growth in the FY 2027 budget reflects the integration of new AI tools benefiting student programming, faculty research, and staff productivity, and continued investment in signature initiatives including Indianapolis program expansion, the Daniels School of Business, Purdue Computes, One Health, Faculty Dream Hires, as well as a new on-campus housing option in West Lafayette. FY2027 expenses also include investments to maintain market competitiveness in employee compensation, specifically a 2% merit increase for main campus employees and employer coverage of medical and prescription benefit cost increases. New housing at both Purdue Northwest and Purdue Fort Wayne will increase operating expenses on those campuses.
- As previously mentioned, tuition and mandatory fees remain frozen at the main campus for FY 2027. Tuition and mandatory fees for Indiana residents at the regional campuses will also be frozen next year. Rates for out-of-state and international students at the Regional campuses will increase by 3%.

If you have any questions in advance of the meeting, please let us know.

# ***FY27 BUDGET***

**For Board decision on June 5**

# *Operating Budget vs. Audited Financial Statement*

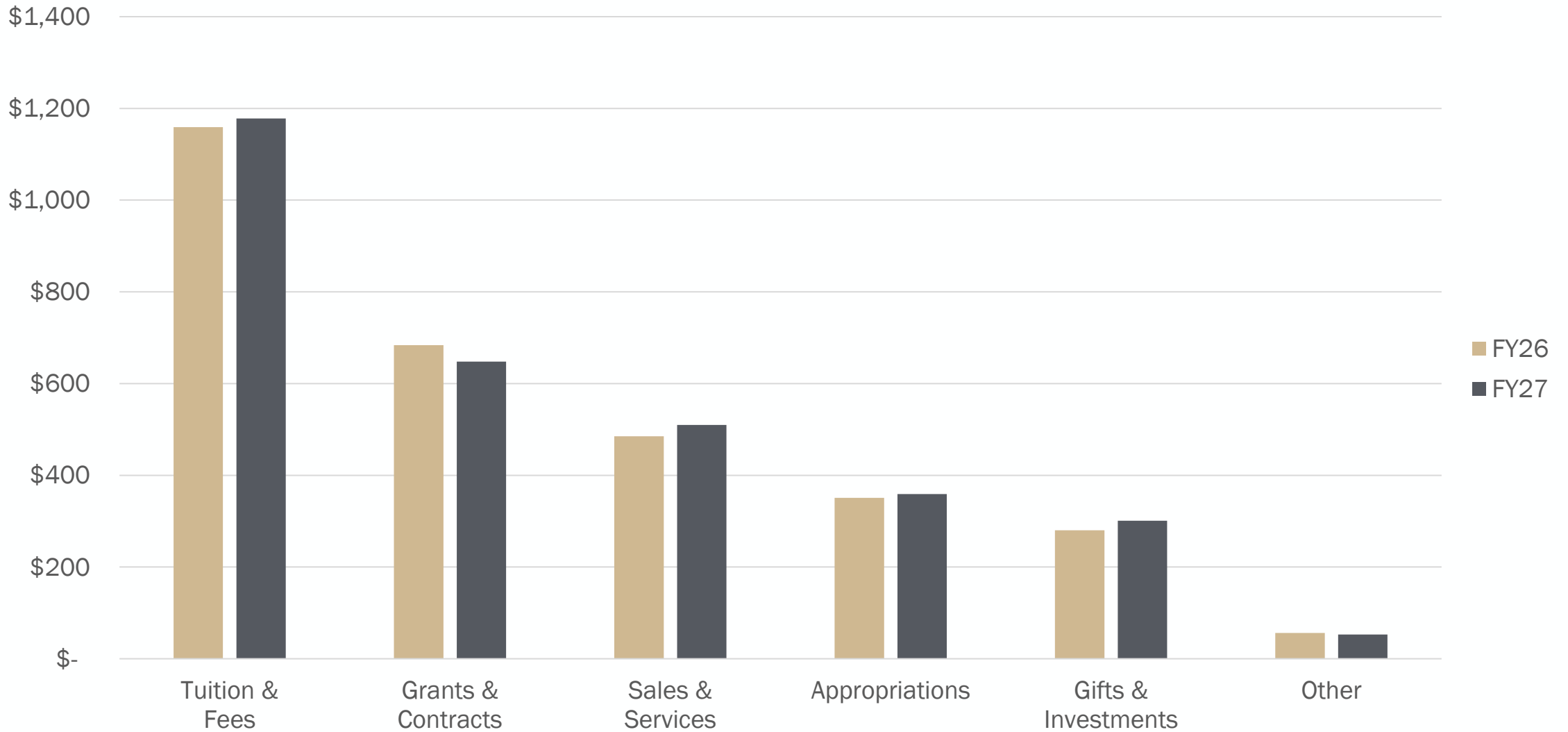
What Is Included?

	Operating Budget	Financial Statement
Campus Operations	Yes	Yes
Grants	Yes	Yes
Repair & Rehabilitation	Yes	Yes
<b>Sub-Total</b>	<b>Pre-CapEx Operating Margin</b>	
Capital Construction	No	Yes
Endowment Value Changes	No	Yes
<b>Total</b>		<b>Change in Net Position</b>

# ***Overarching Budget Principles***

- Student Affordability
  - FY27 is 14<sup>th</sup> year of freeze on mandatory tuition and fees on the main campus
- Structurally Balanced
  - Operations funded only by same-year revenues
  - Annual contribution to capital reserve
- Strategic Investments
  - Presidential Initiatives: One Health, Purdue Computes, Daniels School of Business
  - Indianapolis program development
  - Instructional capacity and support growth
  - Student experience: South Hall opening
  - Moveable Dream Hires recruitment
  - Employee compensation

# ***FY27 Purdue Main Campus Revenue Expectations***



# ***FY27 Operating Budget By Campus***

Steady-State Operations (in millions)

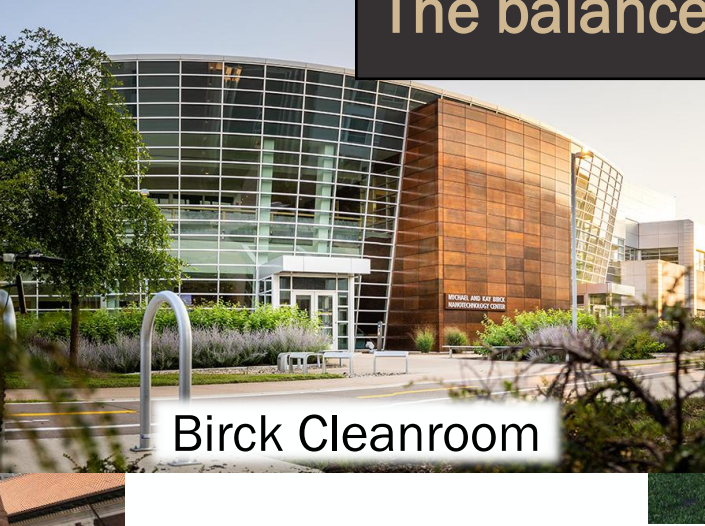
	Main Campus	Northwest	Fort Wayne	Total
<b>Operating Revenue</b>				
Tuition & Fees	\$ 1,178	\$ 66	\$ 63	\$ 1,307
Appropriations	\$ 359	\$ 55	\$ 52	\$ 466
Sales & Services	\$ 510	\$ 10	\$ 20	\$ 540
Gifts	\$ 76	\$ 2	\$ 2	\$ 80
Grants & Contracts	\$ 648	\$ 28	\$ 16	\$ 692
Investment Income & Distributions	\$ 225	\$ 7	\$ 7	\$ 239
Other Revenue	\$ 16	\$ 1	\$ 1	\$ 18
Recovery	\$ 37	\$ -	\$ -	\$ 37
<b>Total</b>	<b>\$ 3,049</b>	<b>\$ 169</b>	<b>\$ 161</b>	<b>\$ 3,379</b>
<b>Operating Expenses</b>				
S&W	\$ 1,377	\$ 70	\$ 62	\$ 1,509
Fringes	\$ 438	\$ 22	\$ 20	\$ 480
Supplies & Services	\$ 743	\$ 43	\$ 39	\$ 825
Minor Capital and R&R	\$ 134	\$ 3	\$ 5	\$ 142
Scholarships, Fellowships & Awards	\$ 196	\$ 22	\$ 25	\$ 243
Debt and Financing Expenses	\$ 81	\$ 8	\$ 9	\$ 98
<b>Total</b>	<b>\$ 2,969</b>	<b>\$ 168</b>	<b>\$ 160</b>	<b>\$ 3,297</b>
<b>Pre-CapEx Operating Margin</b>	<b>\$ 80</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 82</b>

# Capital Investments

State Appropriations and Capital Gifts fund less than half of capital construction. The balance is funded by the capital reserve.



University Hall Renovation



Birck Cleanroom



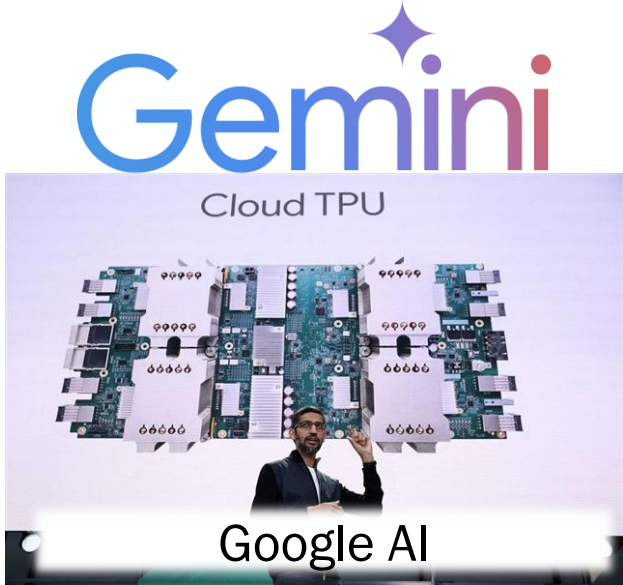
Nursing Pharmacy Education Building



Zucrow Labs 9



Daniels School Building



Google AI