

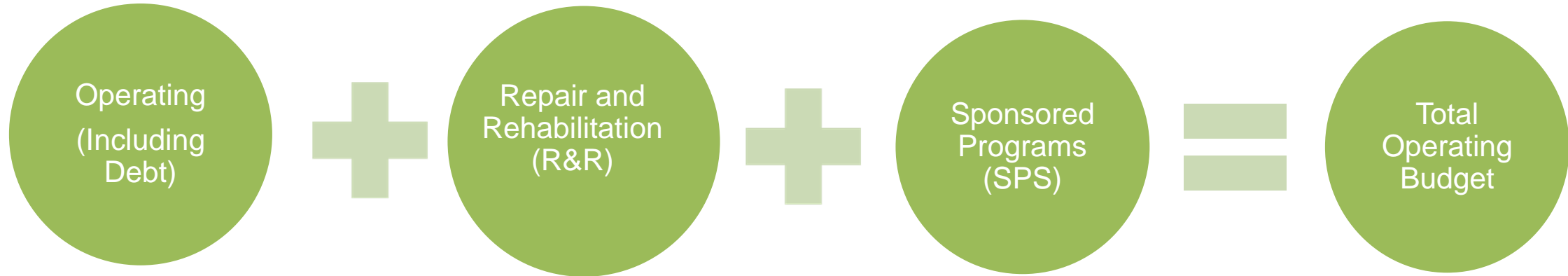
# ***FY21 FINANCIAL UPDATE***

**Purdue Faculty Senate Meeting**

**January 25, 2021**

# *Operating Budget – What's Included?*

## Included:

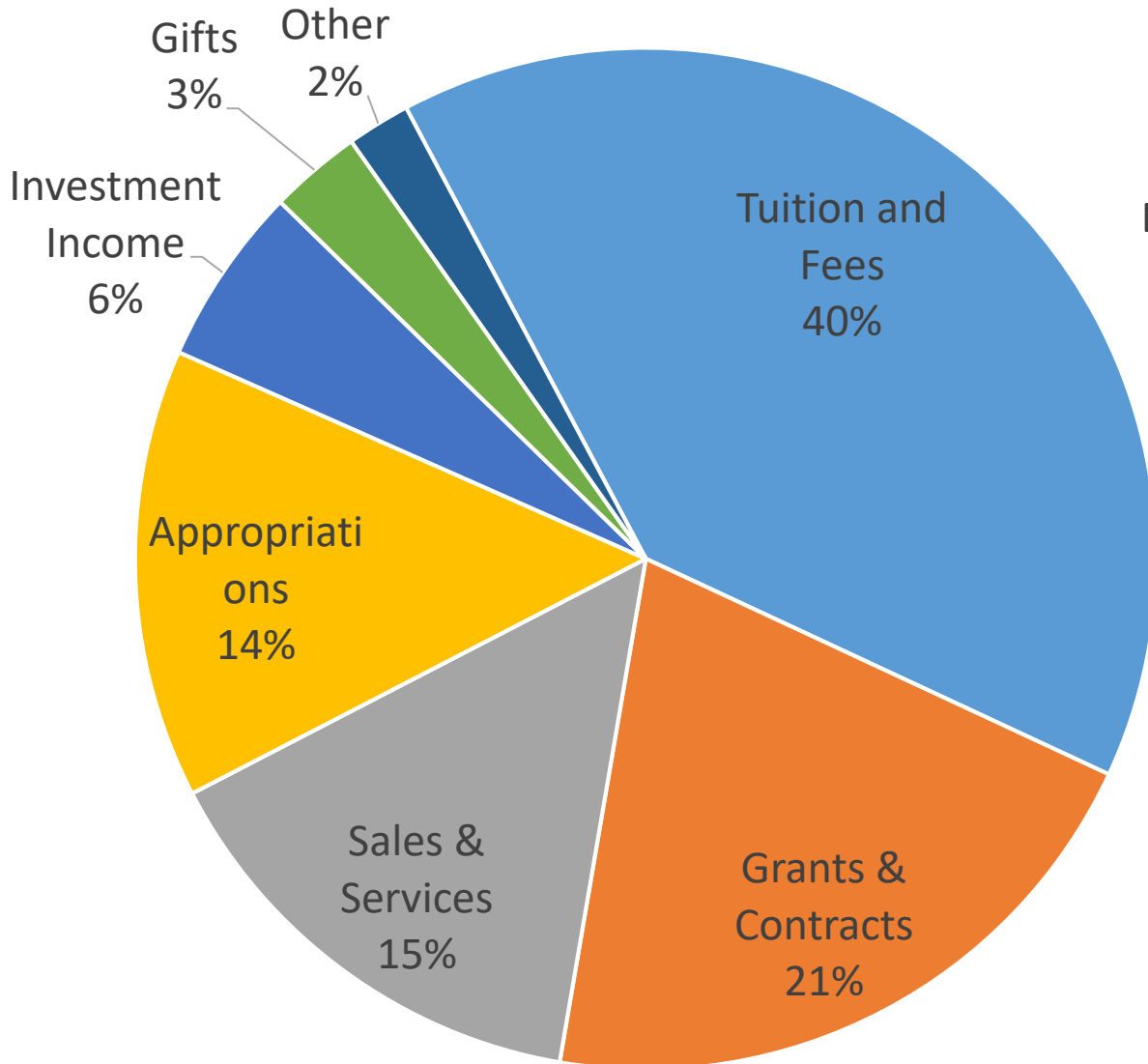


## Not Included:

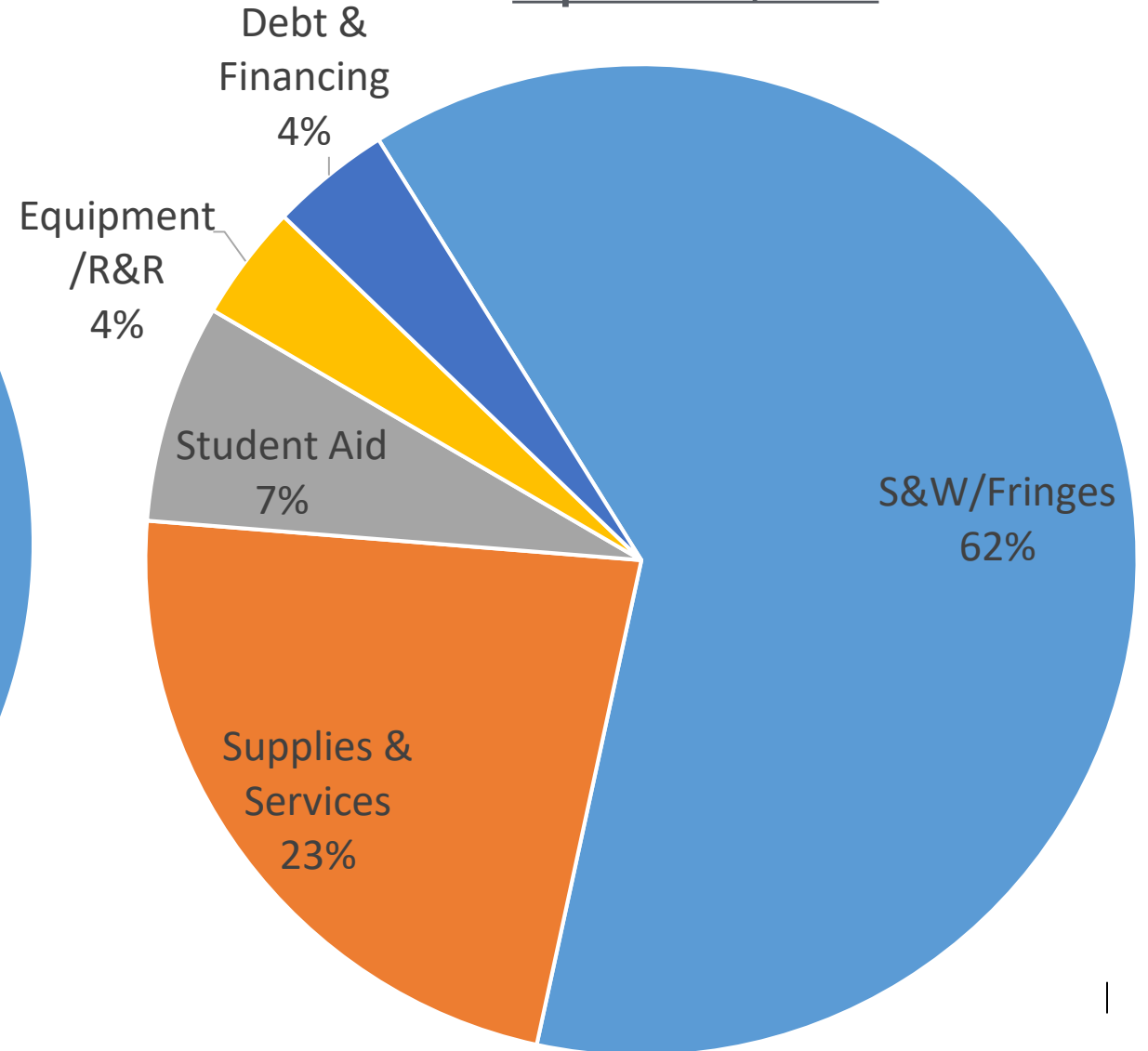


# *West Lafayette Campus Operating Budget – FY21*

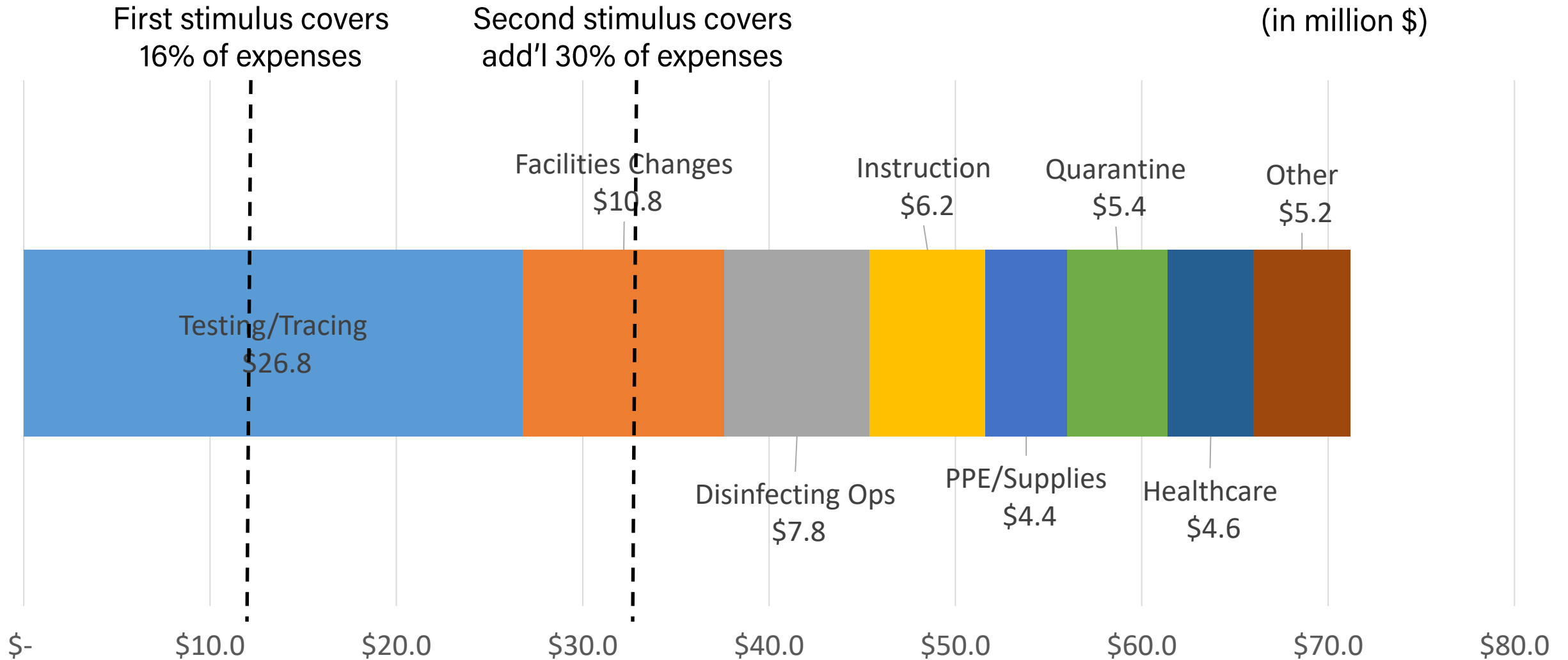
Revenues - \$2.09B



Expenses - \$2.09B



# *FY 21 Budgeted Protect Purdue Expenses*



# Federal Stimulus – as of January 2021

## CARES – March 2020

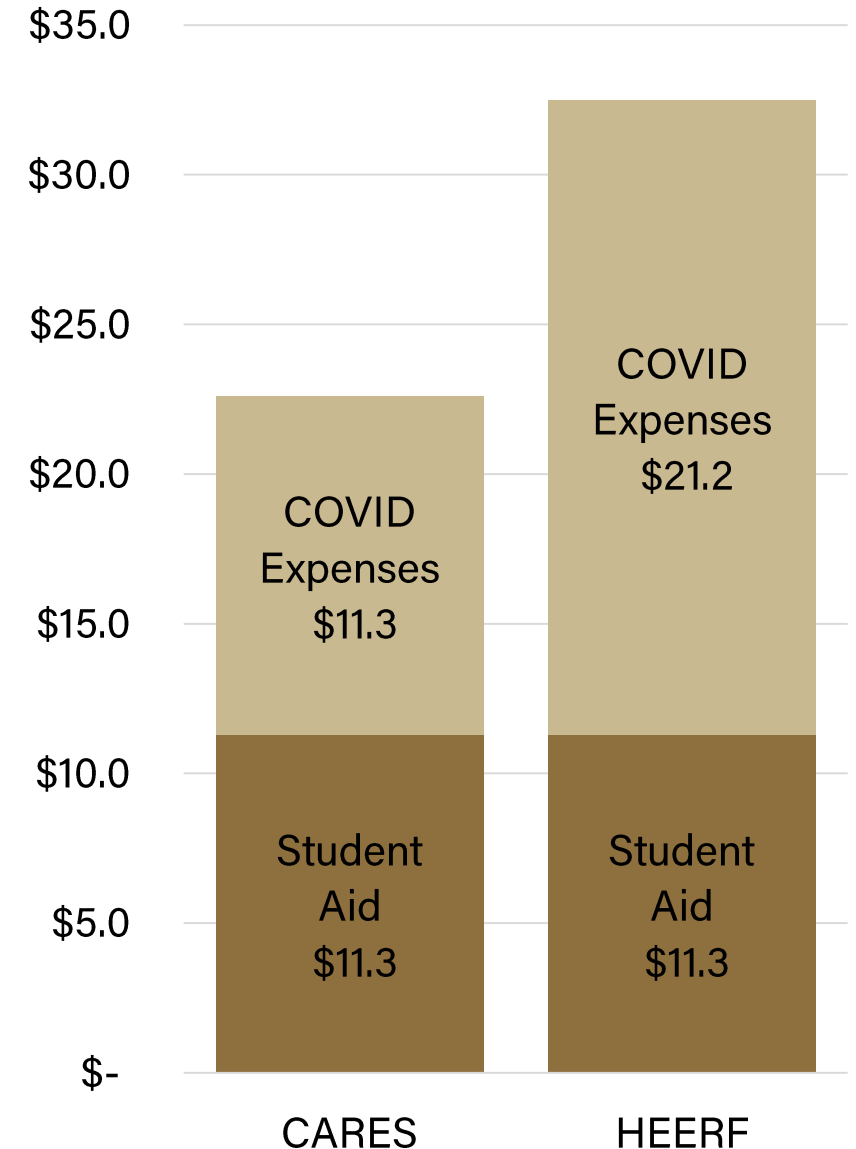
\$22.6M for PWL

- At least 50% must be allocated to students with financial needs; all but \$500k distributed or pending
- Up to 50% used for institutional COVID expenses





















## HEERF – December 2020

\$32.5M for PWL

- At least \$11.3M must be allocated to students with financial needs; reviewing US Dept of Ed guidance
- No more than \$21.2M used for institutional COVID expenses



# Current Projection vs. FY20 and Budget Plan

Category	Current Projection to FY20	Projection To FY21 Budget	Notes
Revenue			
Tuition & Fees			Budgeted growth to 34.3K UG's, online pricing structure, grad decreases
State Appropriations			7% reduction to operating & line item allocations; budgeted 10% reduction
Auxiliaries			Housing contracts down, decreased athletic/event/retail dining revenues
Investment Income			Decreased yield on cash investments
Gifts			Budgeted decreased due to economic conditions, trending flat with FY20
F&A Recovery			Budgeted modest slow down in grant expenses (mainly due to reduced travel)
Expenses			
Compensation			Faculty growth in areas with enrollment increases, but staff hiring freeze
Purchasing/Travel			Budgeted 20% Purchasing & 50% Travel reduction; outperforming as of 12/31
Protect Purdue			Testing/Tracing, Facilities, Instruction, PPE, Quarantine, Healthcare
R&R			Pause on some new and existing projects

# *Risks & Opportunities*

## **Risks**

- Enrollment disruptions
  - Retention during pandemic
  - Uncertainty among potential new beginners
  - Long-term impacts to internationals and grads
- Sustained recession
  - Impact to state revenues/appropriations
  - Impact on industry support
  - Gift volatility
- Fewer/smaller events
  - Revenue impact of long-term shift away from large in-person conferences and events

## **Opportunities**

- Online growth
  - Purdue Online – new program launches in several colleges
  - Increased WL undergrad content available online
    - Especially during summer term
  - Purdue Global operating income
- Shift to virtual/remote work
  - Less travel to meetings
  - More efficient/lower cost space utilization
- Protect Purdue expenses decline significantly
- Quicker recovery in state appropriations
- Enhanced federal grants

## *Looking Forward ... FY22/FY23*

- Barring major setbacks, resume merit raises starting July 1 at a level consistent with recent years
- 150 faculty searches authorized for fall 2021 hiring. 37 net new targeted to areas with growth in undergraduate enrollment
- Year 10 of tuition freeze