FY2020 OPERATING BUDGET

Board of Trustees – June 11, 2019



WHAT IS IN OUR ANNUAL OPERATING PLAN?







Capital (New Building and Major Renovations) Endowment (Gifts and Investment Gain/Loss) Agency Funds (Pass through Student Aid)



FY 2020 GOALS / OBJECTIVES

- Maintain a reasonable annual surplus
 - By unit, maintain or identify a path to a structurally balanced budget
 - Maintain sufficient surplus to fund strategic investments (operating + non-operating)
- Strategic use of resources
 - Student affordability
 - Competitive merit increase
 - Investments targeted to key strategic initiatives
 - Enrollment growth in STEM
 - Transformative education Data Science
 - Grow fundraising through expansion of UDO
 - Krannert growth/BSIM focus
- Sustain enhancements to our financial culture
 - Transparent, consistent and simple
 - Quarterly projections and reviews
 - Complete capture of recurring BPR savings



FY 2020 BUDGET KEY ASSUMPTIONS

West Lafayette Campus

- Student enrollment: freshman class of 8,000
- Merit increase salary policy of 2.5%

Regional Campuses

- Enrollment budgeted down 3.47% at PNW and Flat at PFW
- Merit increase policy 2% one-time at PNW and 2% recurring at PFW

University-Wide

- State appropriations based on final budget
- No new or increases to State Line Items
 - With the exception of ADDL, already approved by the State Board of Animal Health
- Medical inflation of 5% for CY 2019 and 5.7% for CY 2020
- Budget based on 3+ years historical data and run-rate, adjusted by units for known differences

TUITION AND FEES:

West Lafayette Campus

- 0% Tuition Increase
- Flight Program fees
 - FY20 3.0% increase
 - FY21 5.6% increase

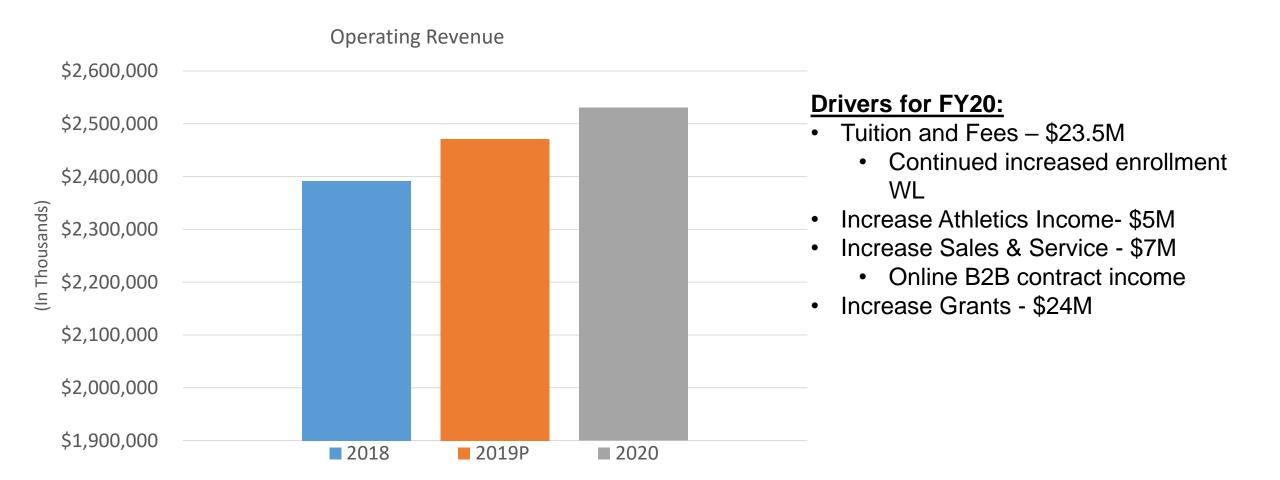
Regional Campuses

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- 1.65% Tuition Increase for both campuses
- Fort Wayne (new fees):
 - International Tuition
 - \$24.90 per credit hour; or \$373.50 per semester for undergraduates
 - \$31.57 per credit hour for graduates
- College of Visual and Performing Arts Differential Fee
 - \$25 per credit hour for undergraduates
 - \$31.57 per credit hour for graduates
 - 2 year phase-in; 50% per year

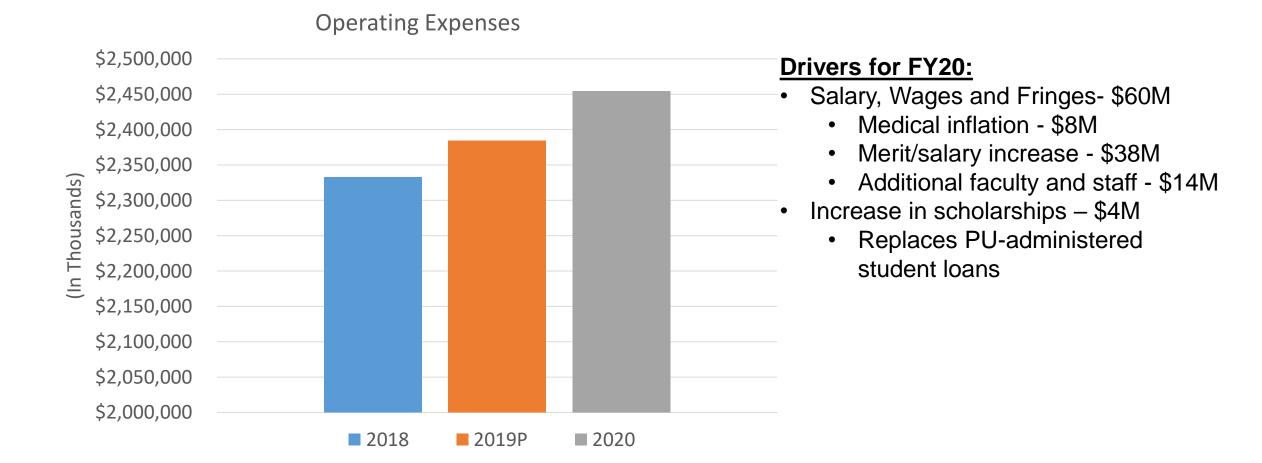


OPERATING REVENUE



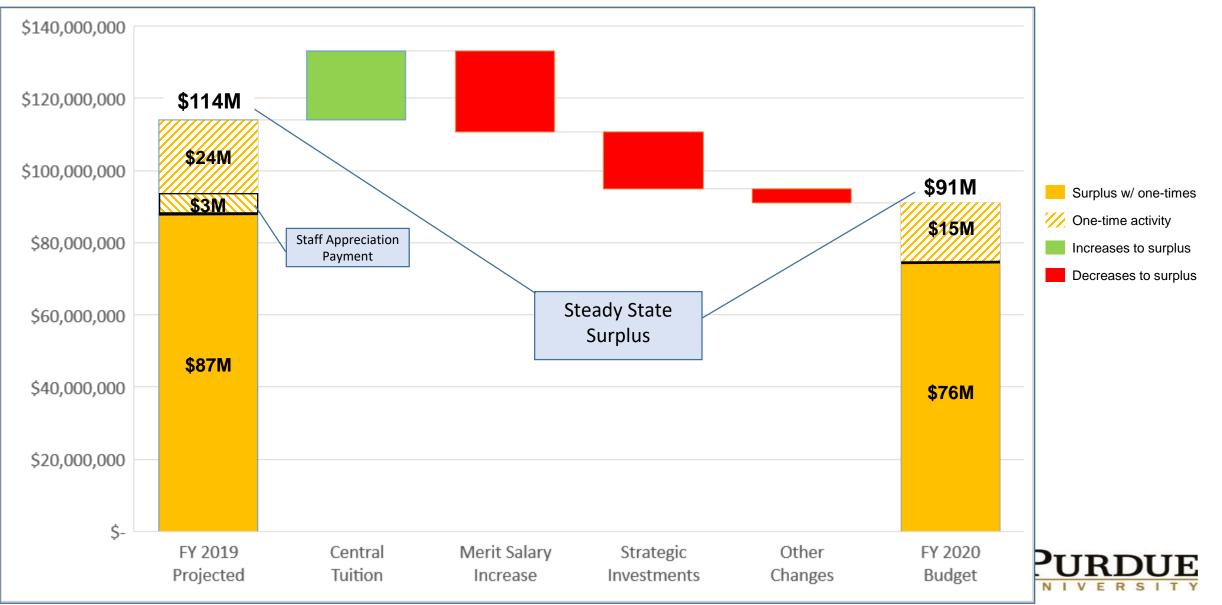


OPERATING EXPENSES





FY 2019 TO FY 2020 SURPLUS CHANGE



FY 2020 ANNUAL OPERATING PLAN BY CAMPUS

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	W	/est Lafayette	Fort Wayne	Northwest	Total
REVENUE					
TUITION & FEES		857,737	68,610	73,261	999,608
APPROPRIATIONS		328,043	47,964	52,662	428,669
SALES & SERVICES		353,848	14,874	6,718	375,440
GIFTS		69,257	1,469	1,158	71,884
grants & contracts		440,127	15,319	21,269	476,714
INVESTMENT INCOME & DISTRIBUTIONS		124,548	4,711	3,539	132,798
OTHER OPERATING REVENUE		7,117	2,260	659	10,035
RECOVERY		34,991	-	-	34,991
	REVENUE Total	2,215,667	155,206	159,266	2,530,140
EXPENSES					
S&W		975,358	64,486	75,912	1,115,750
FRINGES		353,167	21,052	24,047	398,26
SUPPLIES & SERVICES		449,106	31,522	23,750	504,373
OVERHEAD		(4,960)	2,174	2,785	
CAPITAL - EQUIPMENT AND R&R		129,181	3,881	4,472	137,53
SCHOLARSHIPS, FELLOWSHIPS & AWARDS		156,723	22,190	20,553	199,46
DEBT AND FINANCING EXPENSES		81,123	10,263	7,572	98,958
	EXPENSES Total	2,139,697	155,570	159,092	2,454,358
	FY20 S/(D)	75,971	(364)	175	75,78
	FY20 One-times	12,962	435	1,624	15,02
	Steady State S/(D)	88,933	71	1,799	90,80

FY 2020 RISKS AND OPPORTUNITIES

RISKS:

- Faculty Recruitment/Retention
 - STEM faculty vs student growth
 - Faculty Start-Up Costs
- Regional Enrollment
- R&R Expenses

OPPORTUNITIES:

- Gift Revenue with new UDO capacity
- Expense management
- Research/F&A recovery

