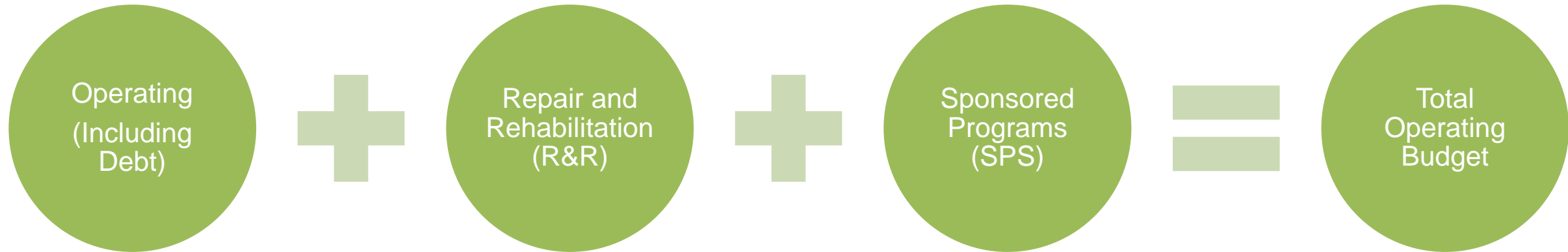


FY2020 OPERATING BUDGET

Board of Trustees – June 11, 2019

WHAT IS IN OUR ANNUAL OPERATING PLAN?

Included:



Not Included:



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

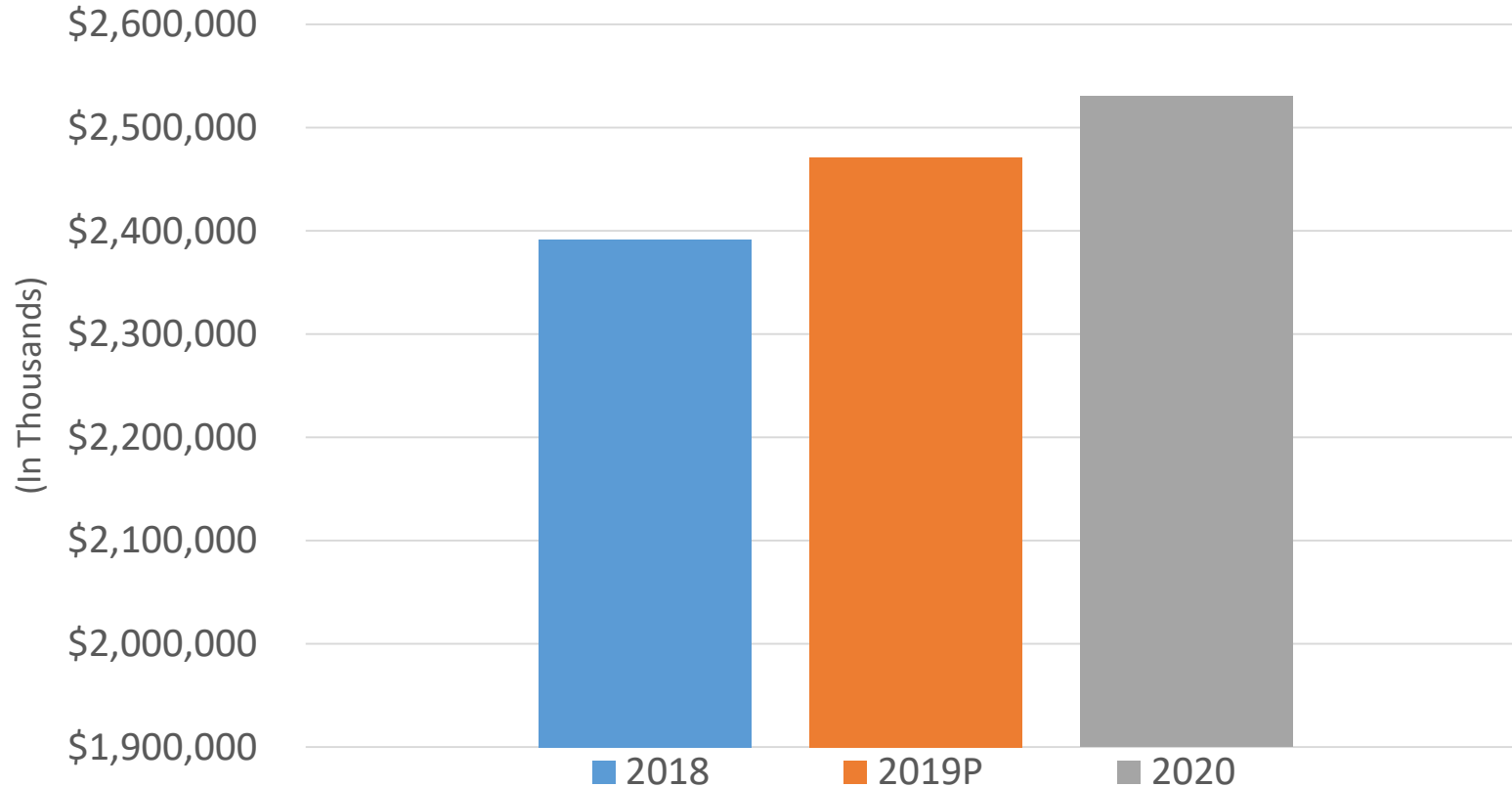
- 0% Tuition Increase
- Flight Program fees
 - FY20 – 3.0% increase
 - FY21 – 5.6% increase

Regional Campuses

- 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 Revenue

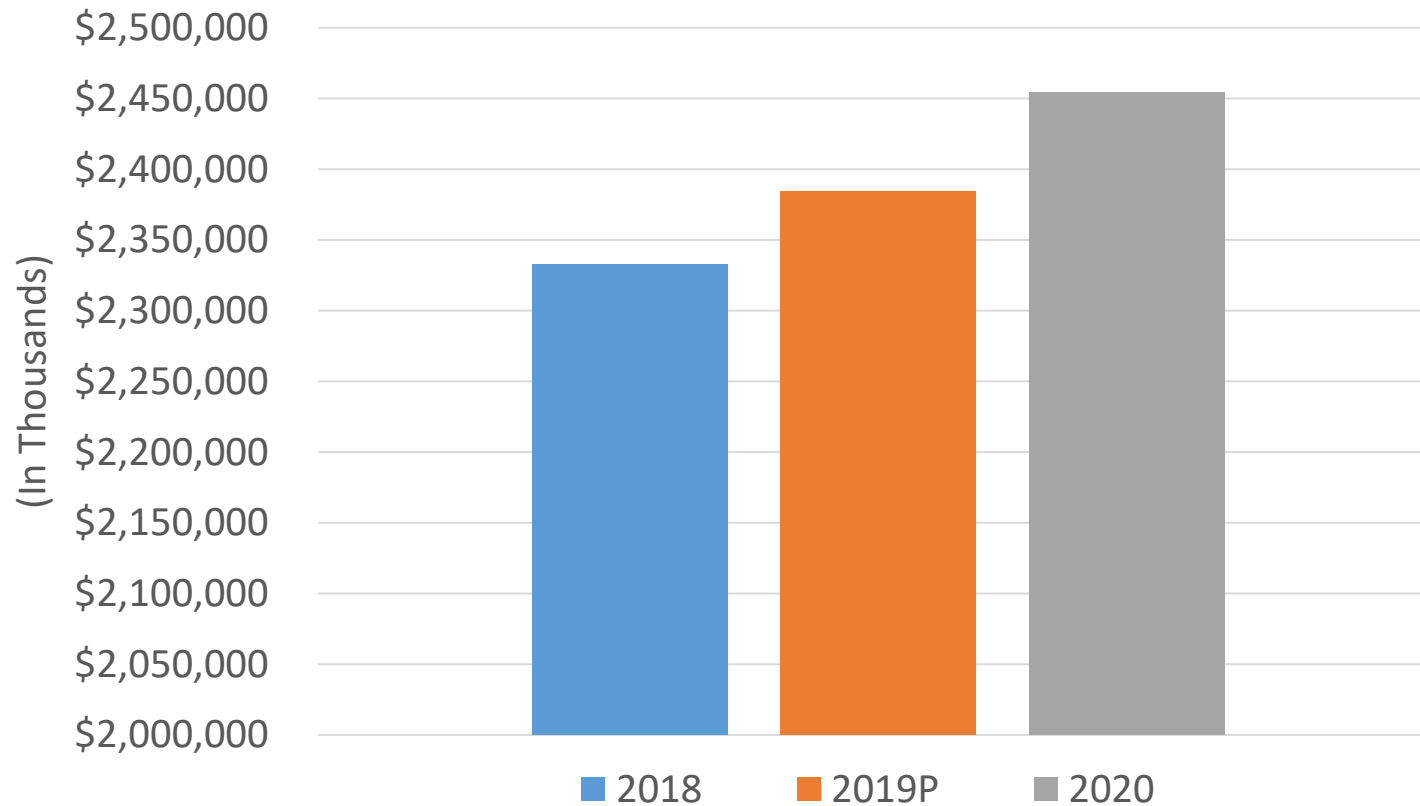


Drivers for FY20:

- Tuition and Fees – \$23.5M
 - Continued increased enrollment WL
- Increase Athletics Income- \$5M
- Increase Sales & Service - \$7M
 - Online B2B contract income
- Increase Grants - \$24M

OPERATING EXPENSES

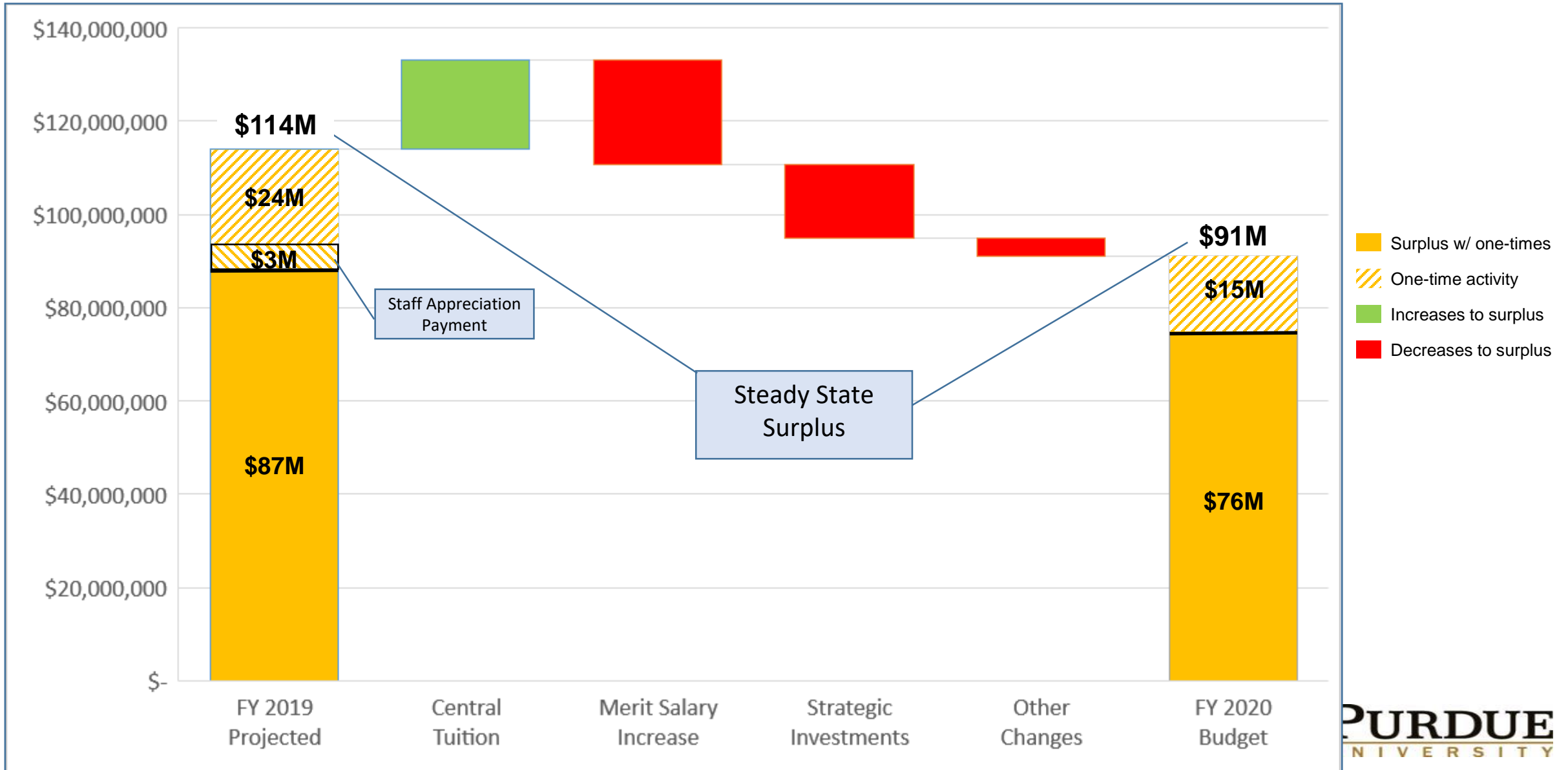
Operating Expenses



Drivers for FY20:

- Salary, Wages and Fringes- \$60M
 - Medical inflation - \$8M
 - Merit/salary increase - \$38M
 - Additional faculty and staff - \$14M
- Increase in scholarships – \$4M
 - Replaces PU-administered student loans

FY 2019 TO FY 2020 SURPLUS CHANGE



FY 2020 ANNUAL OPERATING PLAN BY CAMPUS

	West 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	1,115,756	
FRINGES	353,167	21,052	24,047	398,266	
SUPPLIES & SERVICES	449,106	31,522	23,750	504,378	
OVERHEAD	(4,960)	2,174	2,785	-	
CAPITAL - EQUIPMENT AND R&R	129,181	3,881	4,472	137,534	
SCHOLARSHIPS, FELLOWSHIPS & AWARDS	156,723	22,190	20,553	199,466	
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	75,782
	FY20 One-times	12,962	435	1,624	15,021
	Steady State S/(D)	88,933	71	1,799	90,803

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