

# ***FY24 OPERATING BUDGET***

**Board of Trustees - June 9, 2023**

# Operating Budget Components

## Included:



## Not Included:



# *FY24 Goals & Objectives*

## Student affordability

- 11<sup>th</sup> year of tuition freeze at West Lafayette campus
- Tuition increases at Northwest and Fort Wayne campuses below CHE recommendations
- No increase to West Lafayette housing and dining rates

## Fiscal responsibility

- Modest steady-state operating surplus

## Resources targeted to strategic investments

## Structural enhancements to grow and diversify revenue and contain costs

## Adaptive financial culture to support emerging and strategic priorities



# *FY24 University Strategic Investments*

## Competitive Salaries/Recognition/Rewards/Retention

- 4% merit + 1% pool
- Enhanced graduate student stipends and new Presidential Doctoral Excellence Award

## Research Excellence











## Academy Investments

- Daniels School of Business
- Purdue Computes - AI Institute + Semiconductors
- Enrollment Growth

## Year 3 of Next Moves and Purdue Online 2.0



# FY24 Key Assumptions – West Lafayette

Category	FY24 Change	Notes
Revenue		
Tuition & Fees		<b>11<sup>th</sup> year Tuition freeze</b> ; 38.5K undergrads (+551 vs. FY23)
State Operating		3% operating increase; additional line item and R&R support
F&A Recovery		Trend growth in sponsored research productivity/expenditures
Gifts & Investments		
Sales & Services		Increased housing capacity, Athletics income
Expenses		
Strategic Initiatives		Enrollment Growth, Next Moves - Yr 3, Research Excellence, Daniels School, Purdue Computes
Compensation		4% merit increase, 1% recognition/retention pool, grad stipend investment + doctoral award
Purchasing		
Travel & Events		Growth in on-campus events, increasing airfare/lodging costs
R&R		

# *FY24 Operating Budget By Campus*

## Steady-State Operations (in millions)

		West Lafayette	Fort Wayne	Northwest	Total
<b>Revenue</b>	Tuition & Fees	1,024	63	66	1,153
	Appropriations	363	51	56	470
	Sales & Services	418	14	6	438
	Gifts	66	1	1	68
	Grants & Contracts	542	12	23	577
	Investment Income & Distributions	141	4	4	149
	Other Revenue	23	1	1	25
	Recovery	30	-	-	30
	<b>Revenue Total</b>	<b>2,607</b>	<b>146</b>	<b>157</b>	<b>2,910</b>
<b>Expenses</b>	S&W	1,195	67	71	1,333
	Fringes	392	22	22	436
	Supplies & Services	599	27	32	658
	Overhead	(5)	2	3	-
	Capital	114	3	3	120
	Scholarships, Fellowships & Awards	159	19	19	197
	Financing Expenses	83	9	6	98
	<b>Expenses Total</b>	<b>2,537</b>	<b>149</b>	<b>156</b>	<b>2,842</b>
	<b>Surplus/(Deficit)</b>	<b>70</b>	<b>(3)</b>	<b>1</b>	<b>68</b>

# *Risks & Opportunities*

## Risks

- Recession indicators
  - Impacts to philanthropy, endowment performance, and family income
- Long-term enrollment stability
- Online education market
- Workforce constraints
  - Tight labor market for staff
  - Consistently increasing wage competition

## Opportunities

- Growth in sponsored programs
  - Increased faculty support and incentives
  - Excellence in Research Administration investment
- Resource reallocation, administrative efficiencies
- Return on new strategic investments
- New Online programs, efficiencies of scale
- Staff recruiting competitiveness
  - Remote work
  - Strong compensation increases