

# *FY25 Budget*

June 2024

Board of Trustees Meeting



# *Operating Budget Components*

## Included:



## Not Included:











# ***FY25 Budget Principles & Objectives***

- Student affordability – Year 12 of tuition freeze
- Structural operating surplus
- Tenured faculty growth focused on “dream hires” and strategic initiatives
- Investments in new programs only in cases of positive ROI
- New spending must be offset by reallocation from other activities or new revenue streams

# *Strategic Investments*

- Compensation – 3% average merit increases at PWL and PNW, 2% at PFW
  - Extends four-year streak of above-average increases for PWL
  - Average salaries up 21% since June 2021
- Indianapolis
- Daniels School of Business
- Year 4 of Next Moves
- Core Infrastructure R&R
- Research Productivity and Excellence
- Purdue Online growth
- Purdue Computes
- Dream Hires

# ***FY25 Purdue Main Campus Forecast***

Category	FY25 Change	Notes
<b>Revenue</b>		
Tuition & Fees		Increase of 600 UG's to 39,770 (excluding Indy enrollment)
State Operating		1% (\$2.2M) base increase and 0.85% formula increase
F&A Recovery		5% growth in F&A-yielding sponsored research expenditures
Gifts & Investments		Operating gifts and fixed income earnings to remain steady
Sales & Services		New housing rates; increased B1G distributions to Athletics
<b>Expenses</b>		
Compensation		Limited staff growth; strategic faculty hiring; merit increases
Purchasing/T&E		Targeting flat with FY24 levels
R&R		Utility infrastructure investment; expenses on prior year projects increase

# ***FY25 Operating Budget By Campus***

Steady-State Operations (in millions)

Category 1	Category 2	West Lafayette	Northwest	Fort Wayne	Grand Total
<b>Revenue</b>	Tuition & Fees	\$ 1,118	\$ 66	\$ 69	\$ 1,253
	Appropriations	\$ 375	\$ 59	\$ 55	\$ 489
	Sales & Services	\$ 436	\$ 7	\$ 17	\$ 460
	Gifts	\$ 74	\$ 2	\$ 2	\$ 78
	Grants & Contracts	\$ 609	\$ 23	\$ 15	\$ 647
	Investment Income & Distributions	\$ 172	\$ 5	\$ 5	\$ 182
	Recovery	\$ 30	\$ -	\$ -	\$ 30
	Other Revenue	\$ 18	\$ 1	\$ 1	\$ 20
	<b>Revenue Total</b>	<b>\$ 2,832</b>	<b>\$ 163</b>	<b>\$ 164</b>	<b>\$ 3,159</b>
<b>Expenses</b>	S&W	\$ 1,282	\$ 73	\$ 71	\$ 1,426
	Fringes	\$ 407	\$ 23	\$ 23	\$ 453
	Supplies & Services	\$ 678	\$ 34	\$ 32	\$ 744
	Overhead	\$ (5)	\$ 3	\$ 2	\$ -
	Capital	\$ 135	\$ 4	\$ 4	\$ 143
	Scholarships, Fellowships & Awards	\$ 182	\$ 19	\$ 23	\$ 224
	Financing Expenses	\$ 82	\$ 6	\$ 9	\$ 97
	<b>Expenses Total</b>	<b>\$ 2,761</b>	<b>\$ 162</b>	<b>\$ 164</b>	<b>\$ 3,087</b>
	<b>Operating Surplus</b>	<b>\$ 71</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 72</b>

# *Overall Risks & Opportunities*

## Risks

- Continued regulatory and risk mitigation changes driving additional cost increases
  - E.g. FLSA exemption level, research security
- Persistent inflation, especially in energy, construction, and medical care sectors
- Geopolitical volatility impacting international enrollments
- Rapidly-changing national financial model for collegiate athletics

## Opportunities

- Expanded presence in Indianapolis yielding new industry partnerships and degree opportunities
- Economic development further increasing demand for Purdue offerings (e.g. SK Hynix)
- New online degrees in AI and Data Science
- Facility and faculty investments (Birck renovation, Dream Hires program, etc.) driving continued growth of research productivity
- Campus-wide review of reallocation possibilities to optimize use of current resources