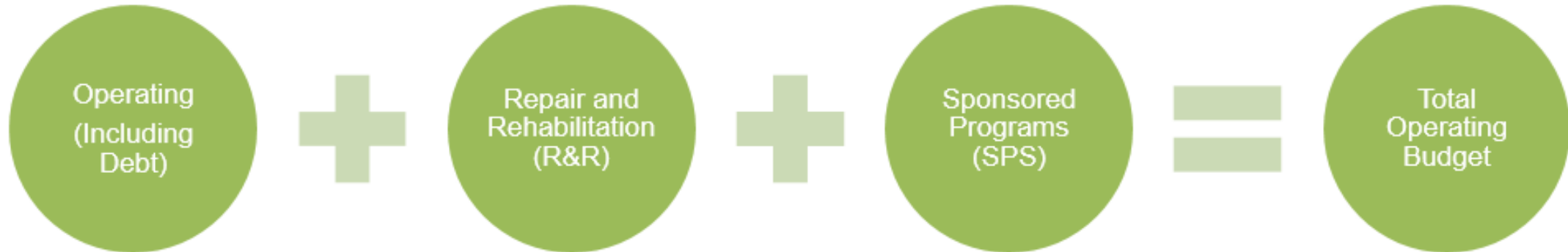


FY24 OPERATING BUDGET

Board of Trustees - June 9, 2023

Operating Budget Components

Included:



Not Included:



FY24 Goals & Objectives

Student affordability

- 11th 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		11th year Tuition freeze ; 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
Revenue	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
	Revenue Total	2,607	146	157	2,910
Expenses	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
	Expenses Total	2,537	149	156	2,842
	Surplus/(Deficit)	70	(3)	1	68

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