



Office of the Treasurer and Chief Financial Officer

TO: Members of the Board of Trustees

FROM: Christopher A. Ruhl, Senior Vice President, Strategic Initiatives
Eva M. Nodine, Senior Director, Financial Planning and Analysis

DATE: June 3, 2019

RE: FY 2020 University Operating Budget

At your June meeting, we will be seeking approval of the University's FY 2020 operating budget.

Attached is the presentation we plan to review at the meeting.

Highlights:

- System-wide operating revenues of \$2.530 billion exceed operating expenses of \$2.454 billion, resulting in an operating surplus, before one-time items, of \$76 million.
- After one-time items are included, we are budgeting a steady state surplus of \$91 million, with each of the University's three campuses budgeting a surplus. Key one-time items are R&R expenses related to infrastructure projects for University Housing in West Lafayette and the temporary closure of the Union Club Hotel.
- Overall state appropriations decreased by 1.01% from FY 2019 to FY 2020. Dual Credit was the only Line Item adjusted, which was reduced by 11.7%. In addition, the Operating Appropriation now includes a separate appropriation of \$17,792,281 for the College of Veterinary Medicine that is no longer subject to PFF and received the flat 1% new money increase.
- Revenue growth is budgeted to grow 2.4% compared to FY 2019 driven by West Lafayette undergraduate enrollment increases, increased research grants, Purdue Online B2B contracts and additional Big 10 television revenue.
- Expense growth is primarily attributable to merit salary increases, increased healthcare costs, converting the Purdue loan program into scholarship aid and additional faculty and staff related to new strategic investments.
- \$12 million in strategic investments are targeted to four (4) key areas:
 - Enrollment growth in STEM areas, notably the College of Engineering, College of Science and Nursing expansion
 - Funding for the Integrated Data Science Initiative
 - Expanding the University Development Office
 - College of Management/Krannert strategic growth plan, including BSIM
- Tuition rates remain frozen at the West Lafayette campus for the sixth consecutive year. Tuition increases at the regional campuses are at the 1.65% rate recommended by the Indiana Commission for Higher Education

If you have any questions in advance of the meeting, please let us know.