



PURDUE UNIVERSITY BOARD OF TRUSTEES

FINANCE COMMITTEE

JUNE 6, 2025 | MINUTES

A meeting of the Finance Committee of the Board of Trustees convened at 9:41 a.m. on Friday, June 6, 2025, in Room 326 of Stewart Center on the campus of Purdue University in West Lafayette, Indiana.

Committee members present: Shawn Taylor, Chair; Sonny Beck; Malcolm DeKryger; Michael Klipsch; and David Ricks. Other trustees present: Kevin Boes; JoAnn Brouillette; Theresa Carter; Vanessa Castagna; and Gary Lehman.

Officers and administrators in attendance were: Mung Chiang, president; Patrick Wolfe, provost; Chris Ruhl, chief financial officer and treasurer; Eva Nodine, vice president, deputy cfo, assistant treasurer, and assistant secretary; Steve Schultz, general counsel; and Cindy Ream, corporate secretary and senior executive assistant to the Board.

I. APPROVAL OF MINUTES:

Upon proper motion duly made and seconded, the Committee voted unanimously to approve the minutes for Public Session convened on April 4, 2025.

II. (WL) APPROVAL OF FISCAL YEARS 2026 and 2027 TUITION AND FEES*

Andrew Bean, associate vice president for finance, respectfully requested approval of Fiscal Years 2026 and 2027 Tuition and Fees. He shared what was proposed for tuition and fees for the next two years. As a reminder, this process and approval were defined by state law.

For fiscal year 2025-2026, effective in the fall, he proposed continuing the freeze on tuition and mandatory fees for the main campus (inclusive of West Lafayette and Indianapolis programs). This marked the 13th year of the tuition and fee freeze for the campus.

Mr. Bean explained that, after considering broader financial impacts and campus needs, a proposal was made to increase international fees—charged to students enrolling from outside the country – on the main campus. This existing fee, which had been periodically adjusted, generates revenue specifically dedicated to addressing the unique needs of international students, from their initial enrollment through continued support throughout their education. He noted that the fee had remained unchanged for nearly 12 years before the proposal to raise it by \$500 for undergraduate and professional master's international students, and by \$45 for other graduate international students.

He proposed keeping resident tuition and mandatory fees flat for the Northwest and Fort Wayne campuses in fiscal year 2025-2026, in line with the Commission for Higher Education's recommendation on May 15th, while implementing a 3% increase for non-resident students, consistent with the non-resident increases over the past two years on those campuses.

For fiscal year 2026-2027, as previously announced, maintaining flat tuition and mandatory fees on the main campus, with no changes to international fees that year was proposed. The regional campuses would again keep tuition flat for Indiana residents and increase non-resident tuition and mandatory fees

by 3%. He shared one additional proposal for fiscal year 2026-2027 regarding select differential fees at the main campus. The existing fees, which apply to programs with high instructional costs, have been kept low during the tuition freeze and have only been adjusted sparingly. However, to support the quality of student experience in certain programs over the next two years, he proposed a \$1,000 increase in the differential fee for non-resident undergraduate students enrolling in fall 2026 and later. The increase would affect students in engineering, computer and data science, and the Daniels School of Business. Current students and those enrolling before fall 2026 would not be impacted.

Mr. Bean noted that a public hearing on the proposal was held on Monday, June 2nd, in compliance with state law, following a public comment period that began on May 23rd with the release of the written announcement. No oral comments were made at the hearing, but four written comments were submitted by individuals connected to the university—including parents, employees, students, and alumni—offering varied perspectives. Two comments addressed differentiation between student groups and programs, with one advocating for more differentiation and the other for less. The remaining two comments supported the tuition and fee freeze, emphasizing its role in maintaining affordability and expressing openness to future increases. Mr. Bean remarked that this represented the full extent of the public feedback received on the proposal.

Following a motion that was properly made and seconded, and after discussion, the Finance Committee voted unanimously to recommend full Board approval of Fiscal Years 2026 and 2027 Tuition and Fees. Supporting documents have been filed with the minutes.

III. (WL) APPROVAL OF FISCAL YEAR 2025-2026 OPERATING BUDGET*

Andrew Bean, associate vice president for finance, respectfully requested approval of the Fiscal Year 2025-2026 Operating Budget. He shared a reminder that this is strictly an operating budget and does not account for major capital investments, which are more sporadic, or fluctuations in the market value of the endowment—both of which are included in the university's audited financial reports.

He shared that the annual budget is built around three core principles: ensuring student affordability, maintaining a structural operating surplus, and making room for strategic investments. Affordability extends beyond tuition and fees to include housing and other program costs. The operating surplus allows for strategic capital investments and provides flexibility in case of unexpected downturns. Strategic investments ensure that programs stay relevant and meet modern needs.

Mr. Bean noted that for Fiscal Year 2025-2026, revenue is forecasted to grow modestly. Revenue sources fall into three categories: Fixed revenues (e.g., state appropriations), which are already set and include a 5% reduction in operating funds; Controllable revenues, such as enrollment, which is planned to remain steady; and Influenceable revenues, such as F&A recovery, which depend on external factors like federal research funding. He noted that despite uncertainty in some areas, the budget includes strategic investments in student experience, new programs (including Indianapolis and online offerings), and human capital. Compensation has seen the largest five-year increase on record, and recruitment efforts like the "Dream Hire" initiative are ongoing to attract top faculty.

For West Lafayette, Mr. Bean stated that the budget assumes balanced growth in revenues and expenses. Regional campuses—Northwest and Fort Wayne—face unique challenges, including enrollment shifts. Still, they are managing these changes responsibly, maintaining balanced budgets and adapting their operations without drawing on reserves.

Chris Ruhl, chief financial officer and treasurer, expressed appreciation to Mr. Bean and the finance team. He noted that the budget was approached with prudent, conservative revenue assumptions that

were believed to be achievable. Mr. Ruhl stated it allows the university to make strategic investments that enhance both people and programs, supporting quality and growth. In addition, it was noted that the university is also operating in the black, which is something not many universities can claim these days. That surplus provides a cushion against uncertainty and enables us to invest in future opportunities. He thanked Mr. Bean and everyone across campus who helped bring us to this point.

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval of Fiscal Year 2025-2026 Operating Budget. Supporting documents were filed with the minutes.

IV. RATIFICATION OF DISTRIBUTIONS SUPPORTING THE KRACH INSTITUTE (“THE INSTITUTE”) FOR TECH DIPLOMACY AT PURDUE*

Steve Schultz, general counsel, shared that a few years ago, the committee may recall approving and ratifying a commitment to backstop a future gift from Mr. Keith Krach to provide liquidity to the Institute. He noted the proposal builds on that plan by offering a \$10 million credit extension, which will be repaid through future donations and other revenue sources generated by the Institute. The Institute has strong momentum, as reflected in its public statements, media coverage, and recent interviews given by Michelle Guida. These activities indicate promising prospects for repaying the credit. However, since this commitment exceeds \$2 million, it requires both committee and board approval in accordance with the bylaws.

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval of Distributions Supporting Krach Institute for Tech Diplomacy at Purdue. Supporting documents were filed with the minutes.

By consent, the meeting adjourned at 9:58 a.m.