



BOARD APPROVED  
June 6, 2025  
Cindy Ream  
Corporate Secretary

FC – 6/6/25  
BOT – 6/6/25

Office of the Treasurer and Chief Financial Officer

TO: Members of the Board of Trustees

FROM: Christopher A. Ruhl, Executive Vice President, Chief Financial Officer and Treasurer  
Eva M. Nodine, Vice President and Deputy CFO

DATE: May 29, 2025

RE: FY 2026 University Operating Budget

We will seek approval of the University's FY 2026 operating budget at the June meeting of the Trustees. This budget maintains our continued commitment to student affordability and operating within a structural surplus while also supporting new investments in strategic areas.

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

Highlights:

- System-wide steady-state operating revenues of \$3.322 billion exceed steady-state operating expenses of \$3.252 billion, resulting in an operating surplus of \$70 million.
- Total revenue is conservatively budgeted to grow 1.7% compared to FY 2025. This increase is primarily driven by growth in auxiliary revenues (student housing and dining, athletics) and investment income. Modest growth in online programs is also expected, with enrollment in on-campus programs in West Lafayette and Indianapolis remaining consistent with FY 2025. These increases will be partially offset by expected enrollment declines at the Regional campuses and reductions in state and federal funding.
- Expense growth in the FY2026 budget has largely been limited to a 2% merit policy to support competitive compensation levels for the Main Campus and new investments in strategic areas, including (but not limited to) the Daniels School of Business, Indianapolis programs, online graduate degrees and Faculty Dream Hires. Purdue Northwest and Fort Wayne have planned expense reductions of 2-3% to maintain structurally balanced budgets. The net of these reductions against the Main Campus investments results in total expense growth for the system of 1.8%.
- Tuition and mandatory fees remain frozen at the Main campus for FY26, the thirteenth consecutive year. Tuition and mandatory fees for Indiana residents at the regional campuses will also be frozen next year, consistent with the recommendation from the Indiana Commission for Higher Education and Governor Mike Braun. Rates for out-of-state and international students at the Regional campuses will increase by 3%.

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

# *FY26 Budget*

June 2025

Board of Trustees Meeting



# *Operating Budget Components*

## Included:



## Not Included:



# Budget Principles & Objectives

## Three S's

### Student affordability

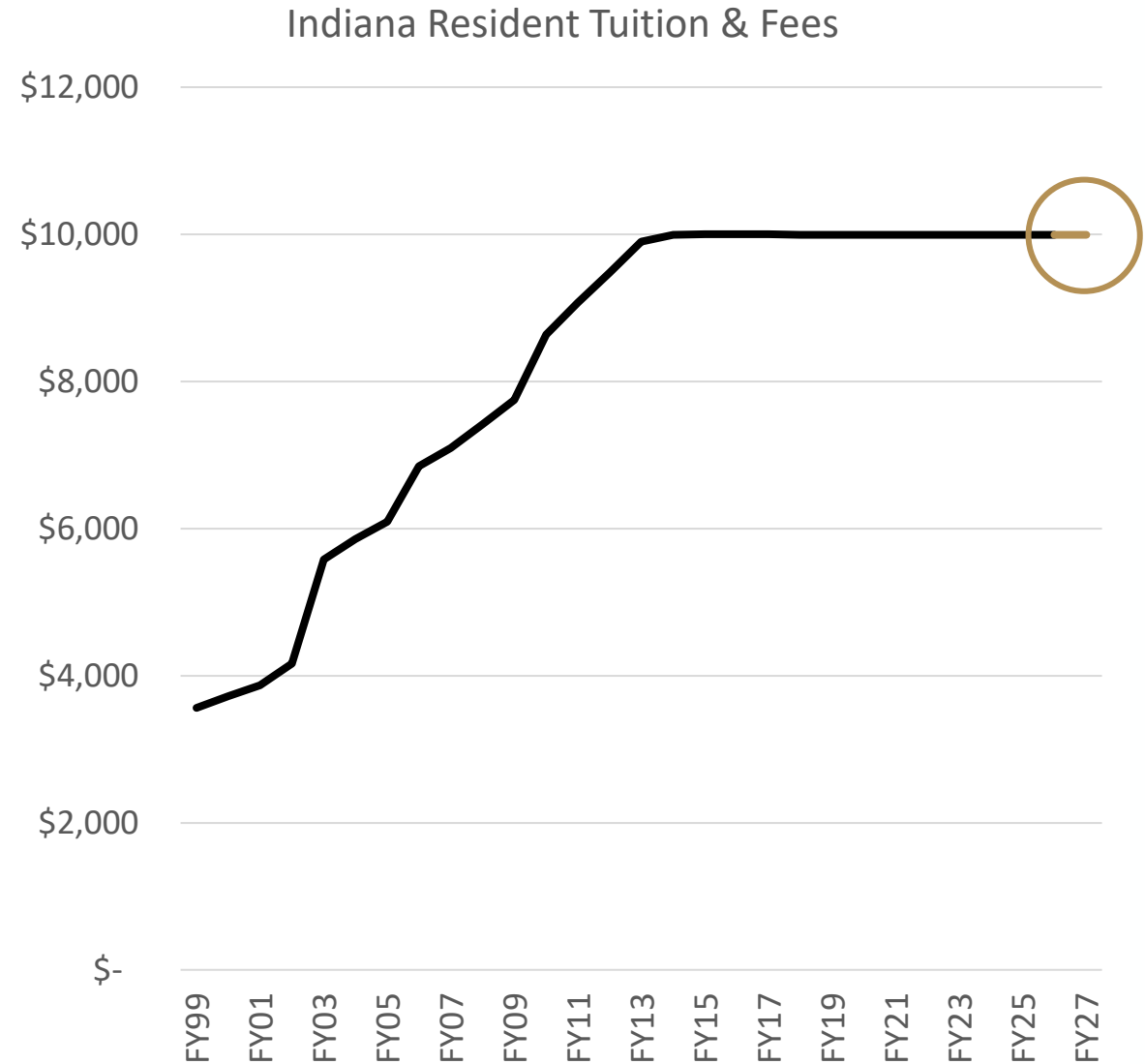
- FY26 is the 13<sup>th</sup> year of tuition freeze

### Structural operating surplus








- Continued reduction of institutional debt

### Strategic investments

- In opportunities with a clear ROI
- To support new research/instructional offerings and operational excellence/efficiency



# ***FY26 Purdue Main Campus Revenue Assumptions***

<b>Category</b>	<b>FY26 Change</b>	<b>Notes</b>
UG Tuition & Fees		Enrollment steady
Online/Prof MS Tuition		New programs and existing program enrollment growth
State Appropriations		Operating/line item reduction
F&A Recovery		Assumes decrease in new federal awards
Operating Gifts		Campaign accelerating fundraising
Auxiliaries		New housing rates; Athletics revenue growth
Cash Pool Investments		Investment returns support increased steady state revenue budget

# ***FY26 Strategic Investments – Main Campus***

- Compensation – 2% merit increases when many institutions are doing nothing
- Daniels School of Business
- Indianapolis - new programs & facilities
  - Programs: MS Sports Mgmt, BS Actuarial Science, BS IBE + others
- Faculty Dream Hires (Hires starting in FY26, recruitment continues)
- Online and Professional MS program growth
- Year 5 of Next Moves
- Purdue Computes
- One Health: new degrees, new research centers
  - e.g. Low Institute for Therapeutics, Center for Health Analytics and Therapeutic Intelligence

# ***FY26 Operating Budget By Campus***

Steady-State Operations (in millions)

Category 1	Category 2	West Lafayette	Northwest	Fort Wayne	Total
<b>Revenue</b>	Tuition & Fees	\$ 1,162	\$ 66	\$ 66	\$ 1,294
	Appropriations	\$ 363	\$ 54	\$ 50	\$ 467
	Sales & Services	\$ 491	\$ 7	\$ 19	\$ 517
	Gifts	\$ 80	\$ 2	\$ 2	\$ 84
	Grants & Contracts	\$ 663	\$ 28	\$ 17	\$ 708
	Investment Income & Distributions	\$ 193	\$ 6	\$ 5	\$ 204
	Other Revenue	\$ 9	\$ 1	\$ 1	\$ 11
	Recovery	\$ 37	\$ -	\$ -	\$ 37
	<b>Revenue Total</b>	<b>\$ 2,998</b>	<b>\$ 164</b>	<b>\$ 160</b>	<b>\$ 3,322</b>
<b>Expenses</b>	S&W	\$ 1,348	\$ 73	\$ 65	\$ 1,486
	Fringes	\$ 425	\$ 22	\$ 20	\$ 467
	Supplies & Services	\$ 733	\$ 39	\$ 39	\$ 811
	Capital - Equipment and R&R	\$ 144	\$ 2	\$ 3	\$ 149
	Scholarships, Fellowships & Awards	\$ 195	\$ 22	\$ 24	\$ 241
	Debt and Financing Expenses	\$ 83	\$ 6	\$ 9	\$ 98
	<b>Expenses Total</b>	<b>\$ 2,928</b>	<b>\$ 164</b>	<b>\$ 160</b>	<b>\$ 3,252</b>
	<b>Operating Surplus</b>	<b>\$ 70</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70</b>