

NOVEMBER 2022

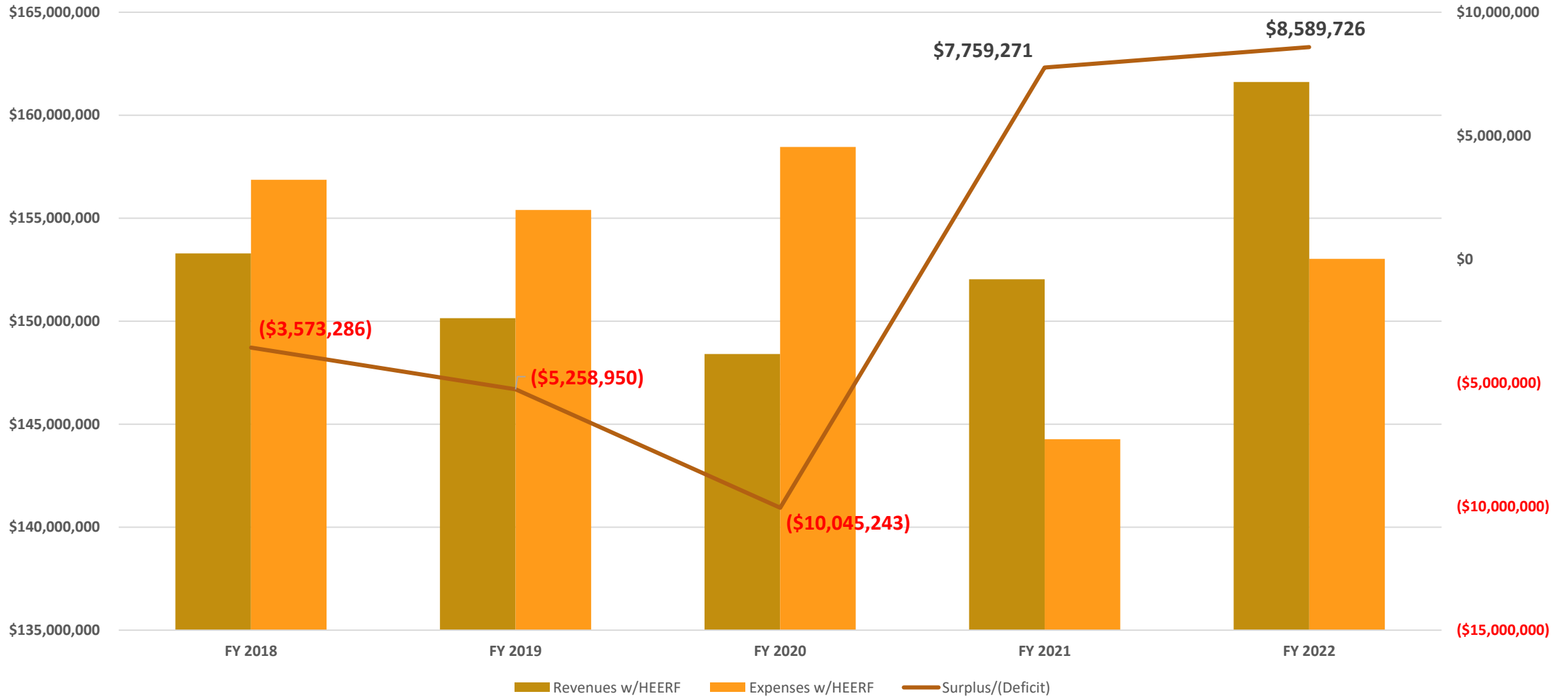
Senate Reference No. 22-12

FY23 ANNUAL BUDGET

PURDUE
UNIVERSITY®
FORT WAYNE

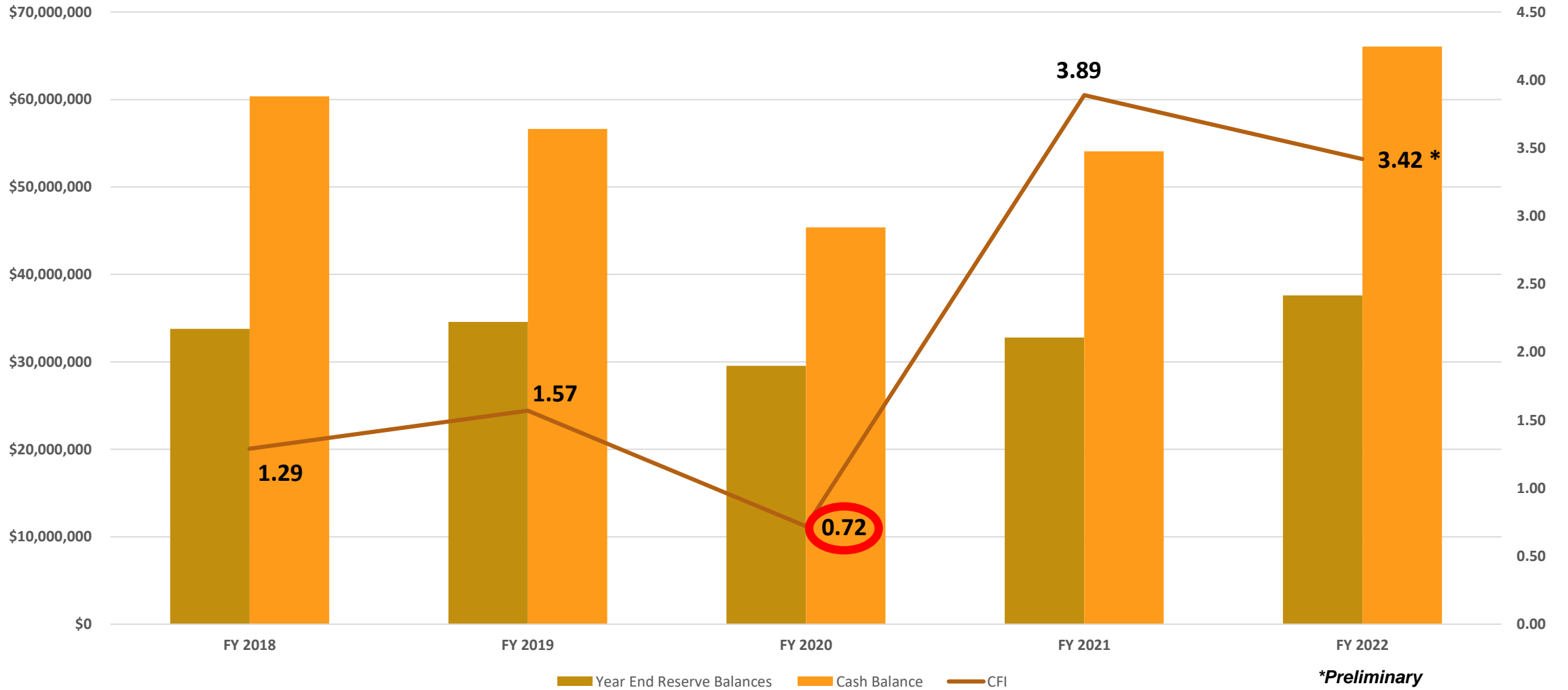
PFW OPERATING PERFORMANCE

FY 2018 – FY 2022



CASH & RESERVE BALANCES & CFI TREND

FY 2018 – FY 2022



FY22 YEAR END CASH BALANCES

- PFW's year-end cash balance was \$66.0MM
- This represents an increase of approximately \$12.0MM
 - Several items contributed to the increase
 - \$6.0MM from donations for the new music building
 - Responsible fiscal management across campus
 - HEERF/CARES funding
- We are still under our targeted cash balance of \$70MM (4.5-5 mos.)

CORE TUITION CHANGES

Tuition & Fee Revenues

	FY22 vs. FY21	FY23 vs. FY22	Fall 22 vs. Fall 21
	Actuals	Budget	Actuals
UG Resident	-6%	1%	-3%
GR Resident	19%	26%	17%
UG Non Resident	24%		3%
GR Non Resident	44%		77%
UG International	84%		32%
GR International	67%		104%
Total Revenue Change	0%	2%	3%
Revenue Changes	\$29,214	\$1,404,505	\$869,791

- Even with continual budget reductions and a shift in our revenue mix, PFW still does not have a balanced budget and continues to suffer from a structural deficit

FY23 BUDGET

- The FY23 Budget of \$143.6MM represents a \$6.5MM increase (4.6%) over the FY22 Budget
 - The increase reflects spending reserve and carry-forward balances (\$4.2MM)
 - But we are still showing a **\$3.5MM deficit balance**
- The budget reflects:
 - Increase of 1.45% in the tuition and fee rate as approved in the prior biennial
 - Implementing a 2% Merit Pool for all employees
 - Staff salary recalibrations initiated by Purdue West Lafayette HR
 - Increased utility costs and reinstating faculty travel funding
 - Continued right-sizing budgets across the university

FY23 BUDGET BY SEGMENT

	FY23 Budget	FY22 Budget	FY23 vs. FY22 Inc/(Decr)	Percent Inc/(Decr)
Institutional Aid	22,861,021	22,587,087	273,934	1.2%
Chancellor	1,626,647	1,199,226	427,421	35.6%
Office of Diversity, Equity & Inclusion	937,803	795,739	142,064	17.9%
Communications & Marketing	3,169,869	3,032,209	137,660	4.5%
Development	1,480,495	1,488,182	(7,687)	(0.5%)
Enrollment Mgt. & Student Experience	16,518,919	15,807,939	710,980	4.5%
Finance & Administration	39,544,744	38,546,055	998,689	2.6%
Academic Affairs	60,125,546	56,314,733	3,810,813	6.8%
TOTAL	146,265,044	139,771,170	6,493,874	4.6%

BUDGET PROCESS

- The annual budget process starts within each person's department
 - Discuss with your Department Chair or Dean the resources you need to accomplish your goals for the coming academic year (e.g., recurring funding, gift funds, carry-forward balances, reserve spending, professional development funds, etc.).
- The Deans and Department Chairs will work with their Business Manager to compile a list of all of the new funding requests and send them on to their respective Vice Chancellors for their review.
- The Cabinet will then discuss which requests the University are able to fund for the coming year.
- The budget is then forwarded on to West Lafayette for their review.
- Once finalized, the budget is presented to the Purdue Board of Trustees for approval.

BUDGET GOALS

- A balanced budget every year
- Recurring annual merit increases
- Resources are aligned with the goals and mission of PFW
- Right sizing budgets (Control Expenses)
 - Recurring and non-recurring expenses
- Simplify the budget process and make it consistent from year to year

- Can't "continually cut our budgets to achieve prosperity"
 - Increased enrollment and retention are key to financial stability