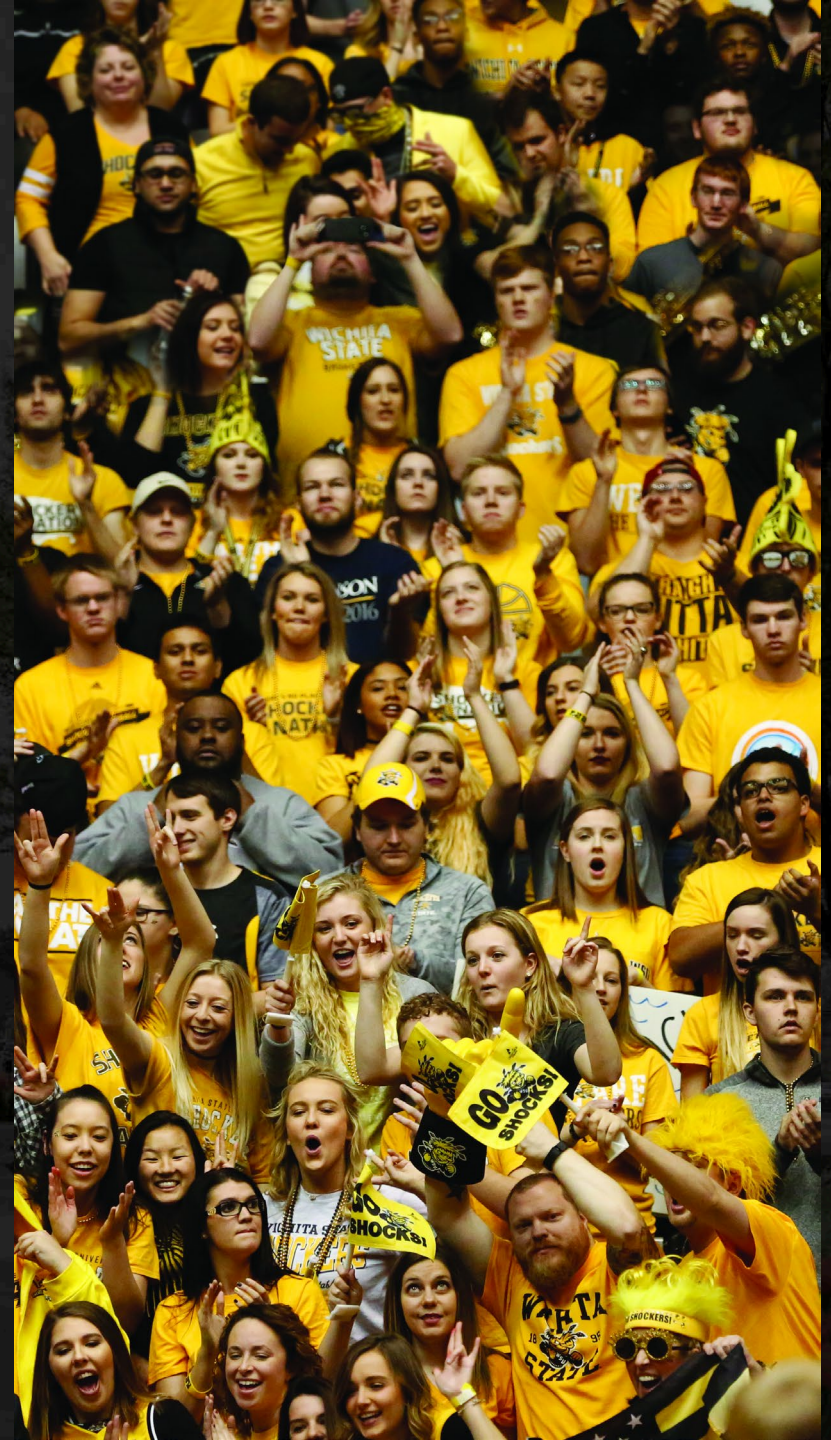


APRIL 28, 2025

# 2026 FY BUDGET DEVELOPMENT

Lyndsay Pletcher and David Miller: Administration, Finance, and Operations





## **Navigating an increasingly complex financial & operational landscape**

- Enrollment: Seeing the effects of decreased credit hour production and national shifts in enrollment amongst international students
- State and National Funding Support: Experiencing broad changes in federal and state support for higher education
- NCAA Athletics: Seeing the impacts of a new paradigm with NIL and pending House Settlement



## FY '26 BUDGETARY CHALLENGES



### #1: Compensation

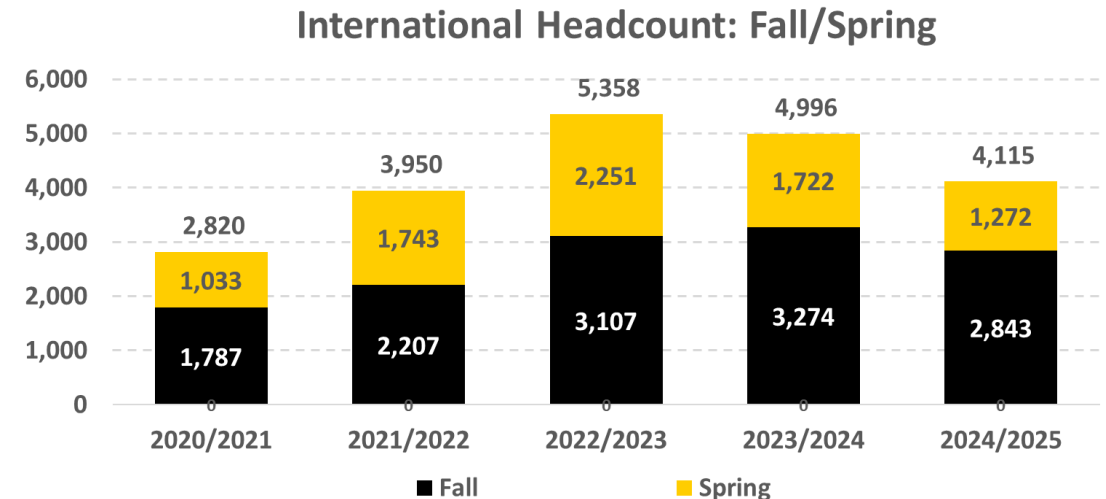
***Market-based comp. remains a focus – must invest in the people that power our mission***

- 2.5% SGF Funding ~ \$1.8 million
- Matched with Tuition funds for a 2.5% comp. pool ~ \$1.0 million
- Market Based Comp – Divisional Officer Review
  - Move faculty pay within prioritized depts. towards pay analysis for respective rank and discipline
  - Move staff below minimum to the minimum of respective pay range
  - Move staff within prioritized jobs (low retention rates) towards respective quartiles
- RU funded operations must fund approved increases within their RU resources

### #2: Enrollment

***Encountering challenges with international and Texas students***

- Projected \$5.7M less than FY '25 adopted budget of \$99.3 million





### #3: State Funding

#### *SGF funding centered on compensation:*

- 2.5% Comp. SGF Funding ~ + \$1.8M
- SGF lapse of funding on vacant positions at YE ~ - \$500K
- No operational/inflationary funding increase
- Special funding in past years for cyber/IT support & demolition not renewed
- Dental School study not funded
- NISS funding to KBOR reduced from \$9.0M to \$6.0M

### #4: Athletics - House Settlement

*Monumental challenge that will impact the University for decades in the future*



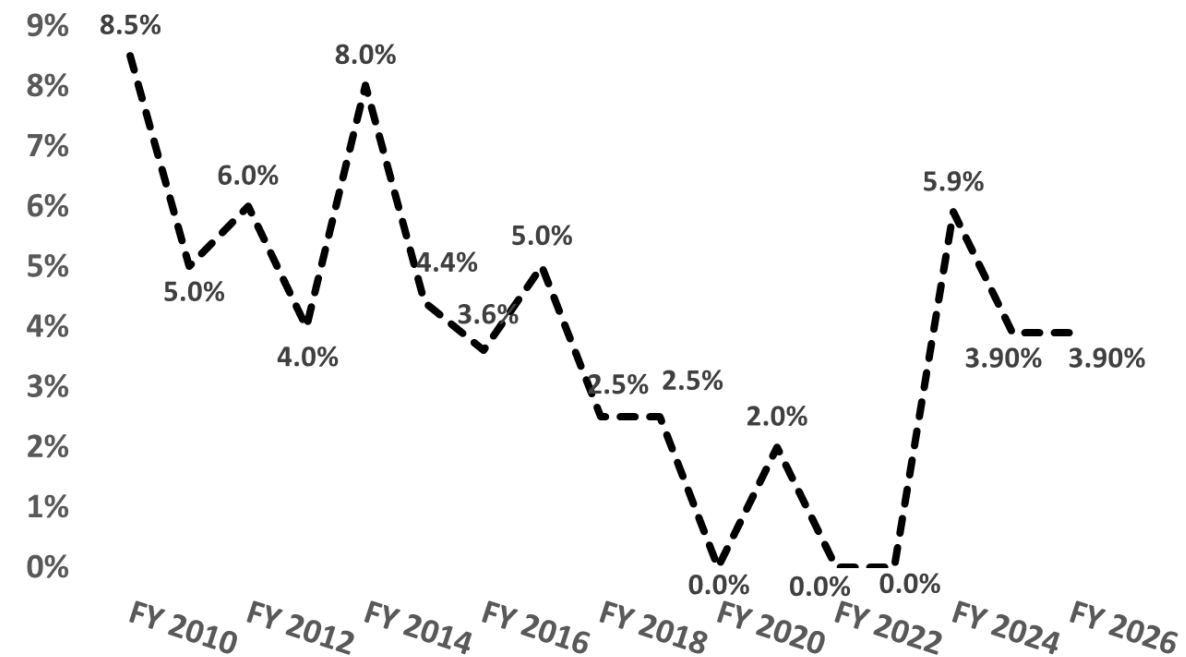


### Addressing Budgetary Challenges

#### *\$10.8 million budgetary challenge*

- Proposed 3.9% tuition rate increase ~ \$3.8 million
- 4.8% GU base budget reduction to each division ~ \$7.2 million
- Continued focus on efficiencies going forward
  - Hiring review
  - Shared services
  - Class fill rates
  - Maximizing facility use
  - Utilities – temp. ranges
  - Revenue sharing and incentive-based growth
  - College and course fees
  - Everything is under consideration

Tuition Increases





### Student Impact

***Develops future leaders of character, competence and consequence***

- Serves ~ 270 student athletes
- ~ 50% are first generation
- 3.53 cumulative GPA – Fall 2024
- Provides applied learning opportunities for students, employing ~ 30 (another 20 with volunteers)
- Division I athletics is a key institutional brand and recruiting tool

### Community Impact

***Serves an important role in community economic support and local pride***

- \$50M direct economic impact to surrounding region

## ATHLETICS CURRENT STATUS



### House Settlement

- \$2.8 billion NCAA Div. I settlement with former athletes
- Likely signed in the coming weeks
- Compensates former athletes for NIL lost opportunities
- Authorizes revenue sharing with current athletes
- Expands # of scholarship opportunities for athletes

**\$5.0 million recurring**

### General Operating Support

Ticket sales remain challenging

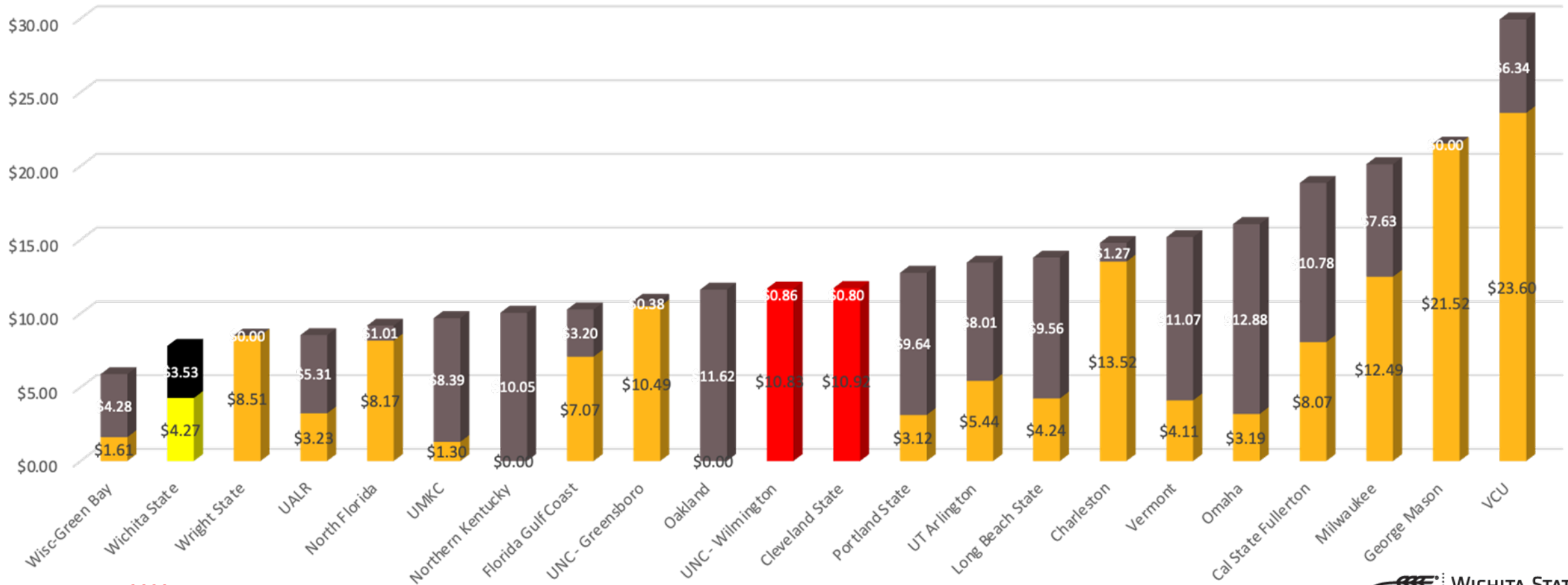
- Athletics implementing \$700K in targeted budget reductions

**\$2.0 million recurring**

# ATHLETICS UNIVERSITY STUDENT FEES AND INSTITUTIONAL SUPPORT — LOW FOR I-AAA



Student Fees (Yellow) and Direct Institutional Support (Black) [in Millions]



FY 2023

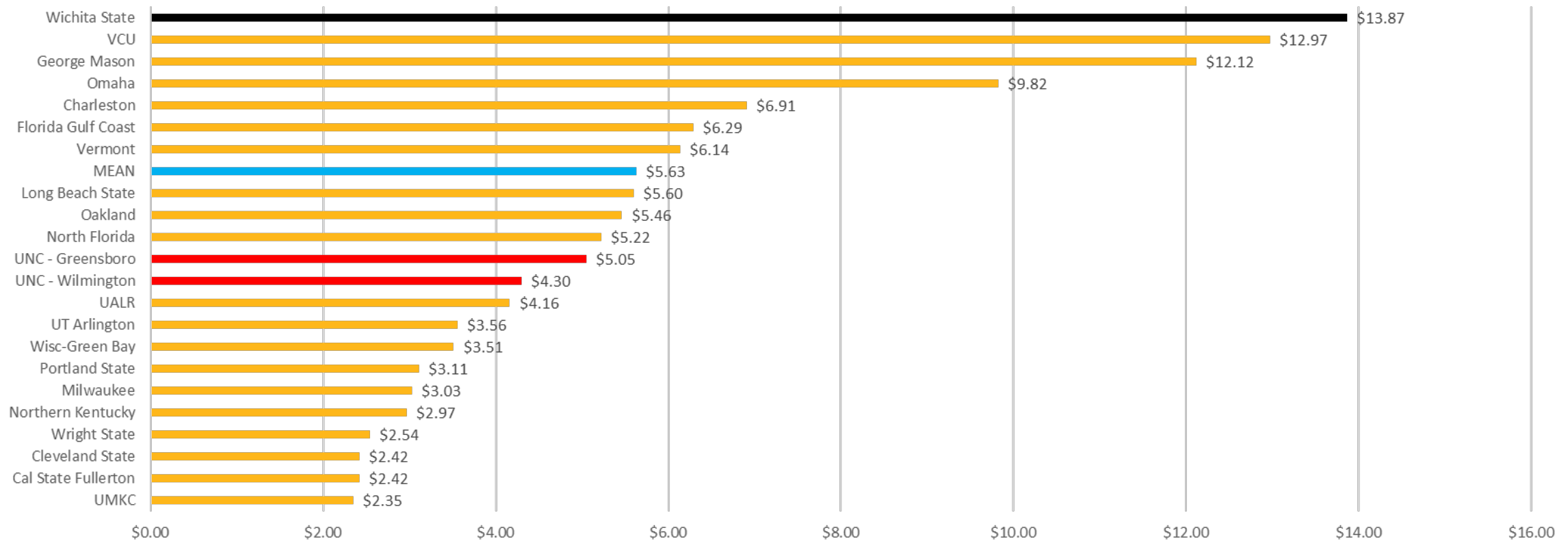
Red is the median value



# ATHLETICS SELF-GENERATED REVENUE



Funds Generated (in Millions)



FY 2023

Red is the median value





# Questions?