

## BUDGET NARRATIVE

### **FY 2027 Budget Overview**

Texas A&M University is dedicated to the discovery, development, communication, and application of knowledge in a wide range of academic and professional fields. Its mission of providing the highest quality undergraduate and graduate programs is inseparable from its mission of developing new understandings through research and creativity. With direction from the university administration and the Strategic Budget Council, we strive to thoughtfully allocate and manage the university's financial resources in support of our strategic goals as we approach our Sesquicentennial milestone.

### **Revenues**

The Total Revenue budget reflects a \$31.9 million (1%) year-over-year variance from FY 2026, largely attributable to an increase in Available University Fund (AUF) revenues, offset by Qatar contract revenue decreases and a revised Discount calculation methodology.

- Tuition and Fees revenue is budgeted to increase by \$5.7 million (1%). This increase reflects undergraduate cohort movement and higher enrollment in graduate programs in the College of Law and Mays Business School, partially offset by the elimination of the Distance Education Differential for undergraduate students in the fall and spring semesters.
- AUF revenue is increasing by \$50 million (17%) due to an increased distribution from the Texas A&M University System and The University of Texas/Texas A&M Investment Management Company (UTIMCO).
- Contracts & Grants is declining by \$7.7 million (3%) primarily due to the phased closure of the Texas A&M Qatar campus.
- Student Financial Assistance continues to trend upward with increasing by \$16 million (16%), due to continued increases in Federal Pell Grant and Texas Grant funding.
- Gifts are expected to increase by \$8.1 million (5%) primarily due to an additional commitment of Athletic distributions to replenish traditional revenue sources redirected to name, imaging and likeness.
- Sales and Services are budgeted to increase by \$32.9 million (7%) over the FY 2026 budget. The largest contributors to this increase are \$5.3 million from Health Center sales as it transitions from the Health Science Center back to the University, \$5 million in Residence Life is due to increased room rental rates, \$3.5 million due to increased parking permit rates and \$1.3 million from increased Athletic season ticket pricing and student sports passes. Additionally, \$5.5 million is related to the Barnes and Nobel 1<sup>st</sup> Day Program bringing the budget in closer alignment with actuals.

## BUDGET NARRATIVE CONTINUED

- Discounts (Net of Waivers) are increasing by 33% due to a change in methodology in calculation implemented across the Texas A&M University System as recommended by the National Association of College and University Business Officers (NACUBO) and the Governmental Accounting Standards Board (GASB).

### Expenses

The **Total Expenditures budget** is increasing \$111.4 million (4%), compared to the FY 2026 expenditure budget.

- **Personnel Costs**, forming the largest component of the expense budget, are budgeted to increase by \$93.9 million (6%). Highlights include:
  - Faculty Salaries: Increases reflect an ongoing commitment to recruiting high-caliber faculty across the university, supported by a new \$25 million investment in additional faculty lines associated with the Foundation for Good Program (see below). Substantial growth in faculty hiring is planned for Mays Business School, the College of Agriculture and Life Sciences, and the College of Veterinary Medicine, while a planned reduction in faculty salary expenditures continues in alignment with the phased closure of the Qatar campus.
    - Foundation for Good (FFG), directly addresses recommendations from the university's 2024 Capacity Study Report and will further position the university to meet growing instructional and research demands, enhancing the student learning experience.
  - Non-Faculty Salaries: The primary factors driving the increase in non-faculty salaries are the reintegration of University Health Services from the Health Science Center back into the university, and rising salary costs within Athletics.
    - Included in the Athletics increase are new contracts for the Athletic Director, Head Football Coach, Head Volleyball Coach, Head Basketball Coach and each of their staff.
  - Market adjustment program to elevate salaries for both Faculty and Staff of \$10.0 million inclusive of benefit costs.
  - Proposed 3% performance-based employee retention program with related benefits: increased overall benefit costs.
  - Benefits are increasing due to anticipated higher Group Insurance rates, hiring initiatives and market adjustments.

## BUDGET NARRATIVE CONTINUED

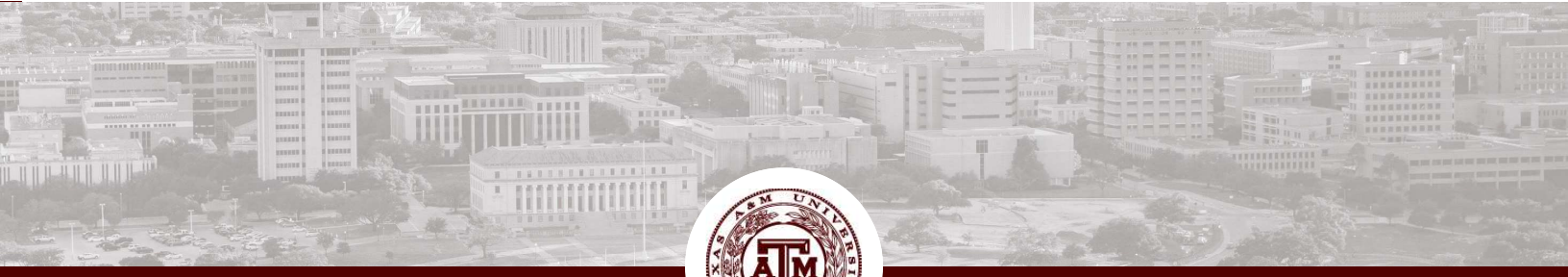
- **Operating Costs** are budgeted to increase \$17.5 million (1%), compared to FY 2026.
  - Scholarship expenses are budgeted to increase by \$21.4 million because of more accurately aligning Pell Grant budgeted costs with actual costs; however, this increase is fully offset by a corresponding \$73.2 million rise in Scholarship Discounts.
  - Operations and Maintenance expenses are budgeted to increase by \$87.6 million (11%), driven by ongoing efforts to meet the requirements of the 2024 Student Experience Study, continued investments in safety, security, and compliance, and rising costs associated with Athletics.
  - Equipment expenditures are budgeted to decrease by \$31.6 million (46%) as the university exercises greater caution in purchasing new equipment related to research activities.
  - Debt service is budgeted to increase by \$12.1 million (8%) compared to FY 2026 due to the 2025 bond issue which includes the seat license portion of the Bright Redevelopment project and several Residence Life HVAC projects. The budget for commercial paper interest for short term financing needed to support the FY 2027 projects moving into construction increased \$3.5 million over FY 2026.

### **Reserves**

- FY 2025 Reserve balance of \$683 million, 4 months.
- FY 2026 Projected Reserve balances of \$597 million, 3.5 months.
- FY 2027 Projected reserve balances to be \$512 million, 3 months.

### **Capital Plan**

- The following new construction projects will seek construction approval for FY 2027: Biology Teaching and Research Building, West Campus Learning Commons, Mays Business School Building 3, and the Poultry Science Center.
- The following proposed projects plan to begin design in FY 2027: College of Veterinary Medicine Animal Housing Facility, Reynolds Medical Sciences Building HVAC Upgrades, multiple infrastructure projects.



# **Texas A&M University**

## **Programmatic Budget Review**

### **Operating Budget**

*April 28, 2026*

# Our Mission

*Texas A&M University remains dedicated to the discovery, development, communication and application of knowledge.*

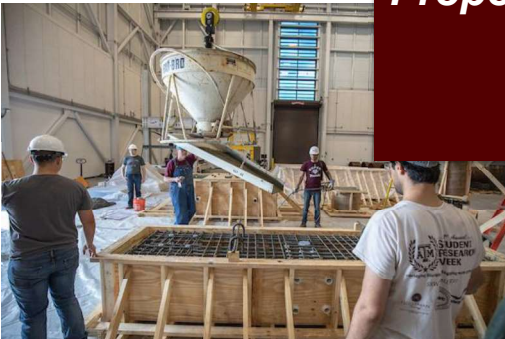
*Our purpose is to develop leaders of character dedicated to serving the greater good.*



# Resource Planning



*Efficiencies / Cost Reductions*  
*Reserves*  
*Proposed Tuition & Fee Increases*  
*Employee Salary Plan*



# Strategic Budget Council

- Created the Strategic Budget Council to provide budget guidance and review and prioritize all budget requests from the campus
- Every vice president and dean had a budget discussion with the Strategic Budget Council
  - Division discussions were primarily held in December and January
  - College/School discussions were held in January, February, and March
- Emphasis on:
  - Self-Funding
  - Use of reserves
  - Safety/Security/Compliance
  - Capacity and Student Experience Study recommendations

# Efficiencies / Cost Reductions

## Efficiencies / Cost Reductions

### 1. Academic & Student Services Optimization:

- General Education Review Committee
- Transitioning the VERO 2+2 program
- Step down/elimination of low producing majors
- Assessment of Faculty Workload and Vacant Positions

### 2. Technology & Automation:

- System Wide Use of Software
- Software Efficiencies
- Targeted use of AI

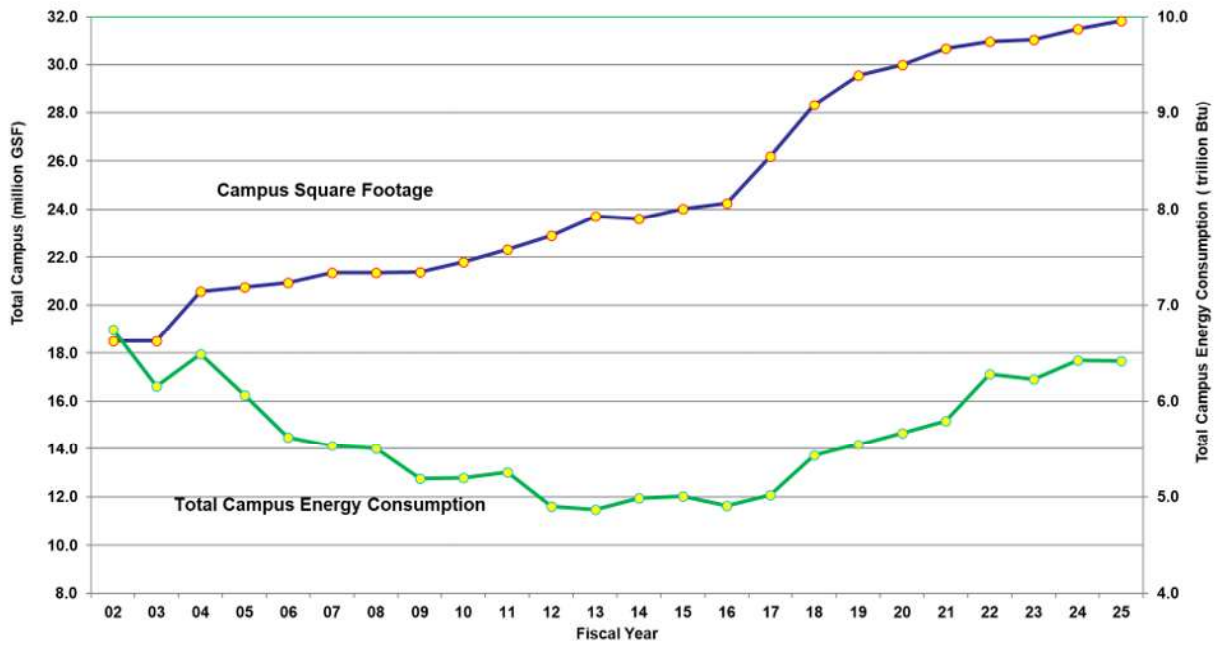
### 3. Operational & Administrative Restructuring:

- Strategic Structuring
- Training
- Shared Services for other System Parts

### 4. Physical & Financial Assets:

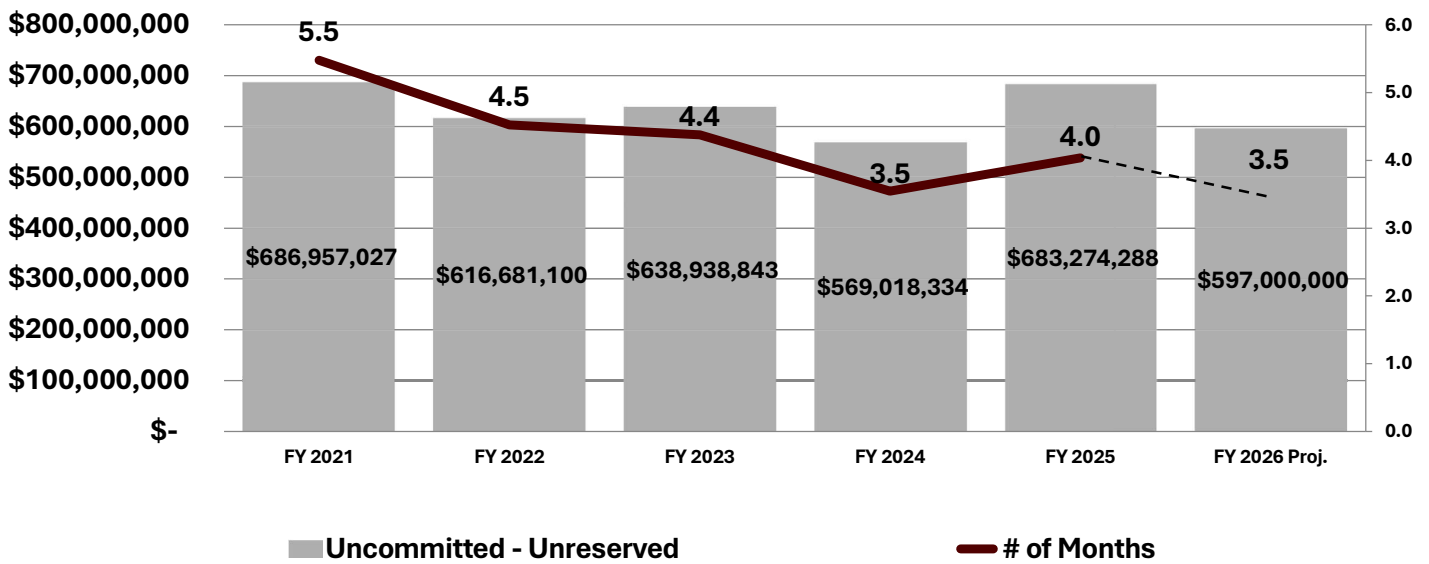
- Updated Asset Management Process
- Analyzing Reserves and Balances across campus
- Energy Management

# Campus Size vs Total Campus Energy Consumption



# Reserves (Uncommitted)

## Operating Reserves and Months of Reserves



# FY 2027 Tuition and Fees

<b>Resident Undergraduate Students (enrolled in 15 SCHs)</b>	<b>ONE-YEAR VARIABLE RATE Fall 2026</b>	<b>GUARANTEED RATE Fall 2026</b>
<b>Base</b>	<b>\$5,775</b>	<b>\$6,237</b>
<b>Math and Science Intensive (MSI)</b>	<b>\$6,095</b>	<b>\$6,583</b>
<b>Applied Specialized (ASD)</b>	<b>\$6,671</b>	<b>\$7,205</b>

# TAMU Health Center Fee

Texas A&M leadership would like to work with the Board of Regents and the Legislature in the 90<sup>th</sup> Legislative session to increase the cap for the Health Center Fee

- Beutel opened in 1973 with a vision of serving up to 22,000 students; a number that was surpassed in 1975
- The fee cap was last increased from \$25 to \$75 during the 74<sup>th</sup> Legislative Session, effective June 16, 1995
- In Fall 1995, student headcount was 41,790. Projected Fall 2026 enrollment is over 76,000; an 82% increase
- Inflation has outpaced the increase in the health center fee in the last 31 years (1995-2026)
- Not only are we fighting inflation prices and caring for more students, the need for medical care by our students is at record levels with clinic visits increasing 21% since 2013

# FY2027 Employee Salary Plan

FY 2027 EMPLOYEE SALARY PLAN	Faculty	Staff	Total
3% Performance Based Pool	15,179,700	16,279,900	31,459,600
Promotions	1,000,000	-	1,000,000
Market Adjustments			10,000,000
<i>Benefits</i>	3,098,700	3,247,100	6,345,800
<b>Total:</b>	<b>\$ 19,278,400</b>	<b>\$ 19,527,000</b>	<b>\$ 48,805,400</b>

# Athletics



## Texas A&M Athletics



# FY2027 Athletics Revenue Budget



Athletics <i>(in thousands)</i>	FY 2025	FY 2026	FY 2027	Budget Variance	
	Actuals	Budget	Proposed Budget	Amount	%
<b>Revenues/Institutional Supplement:</b>					
Athletic Fee	N/A	N/A	N/A	\$ -	0.0%
Radio/TV/Surplus	\$ 62,998	\$ 63,897	\$ 64,378	481	0.8%
Private Gifts - Foundations	58,368	43,302	52,539	9,237	21.3%
Ticket Sales	50,169	50,885	51,268	383	0.8%
Student Sports Pass Sales	14,240	14,443	14,552	109	0.8%
Sponsorships	24,910	25,266	25,456	190	0.8%
Camp Registration - Sales	6,063	6,149	6,196	46	0.8%
Commissions	6,971	7,071	7,124	53	0.8%
All Other Revenue <sup>1</sup>	3,931	925	925	-	0.0%
Rental Revenue	2,669	2,707	2,727	20	0.8%
Contracts & Grants	1,000	1,014	1,022	8	0.8%
Licensing	10,759	2,300	2,300	-	0.0%
Institutional Supplement	-	-	-	-	-
From Concessions Allocation	252	252	252	-	0.0%
From Other (Ice Storm Reimb)	300	-	-	-	0.0%
From Investment Earnings / Distributions	5,688	692	692	-	0.0%
<b>Total Revenues:</b>	<b>\$ 248,318</b>	<b>\$ 218,902</b>	<b>\$ 229,430</b>	<b>\$ 10,527</b>	<b>4.8%</b>

<sup>1</sup> Other Revenue includes: Sales (Merchandise, Food, Vending, Meals, Surplus Property, Clothing, Memberships, & Short Course Fees); Royalties

# FY2027 Athletics Expense Budget

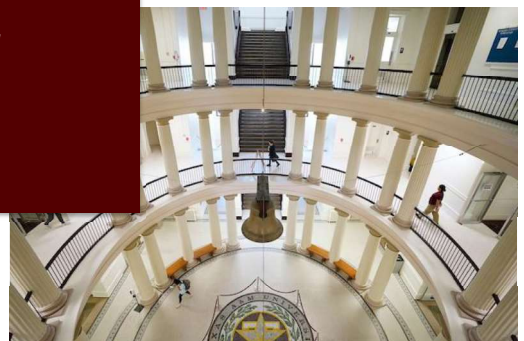
Athletics <i>(in thousands)</i>	FY 2025	FY 2026	FY 2027	Budget Variance	
	Actuals	Budget	Proposed Budget	Amount	%
<b>Total Revenues:</b>	\$ 248,318	\$ 218,902	\$ 229,430		
<b>Uses:</b>					
Salaries & Wages	\$ 69,488	\$ 73,419	\$ 77,818	\$ 4,399	6.0%
Benefits	10,271	11,883	12,364	481	4.0%
Departmental Operations	106,071	78,481	80,693	2,211	2.8%
Maintenance / Equipment	15,106	3,870	3,000	(870)	-22.5%
Scholarships	15,060	33,445	35,974	2,529	7.6%
Debt Service	33,396	24,847	24,013	(834)	-3.4%
Transfer to Other Units	-	204	150		
Transfer to Plant (Player Development Center)	2,830	-	-	-	0.0%
<b>Total Expenses:</b>	\$ 252,222	\$ 226,149	\$ 234,011	\$ 7,917	3.5%
<b>Net Income/(Loss)</b>	\$ (3,904)	\$ (7,246)	\$ (4,582)		

# FY2027 Athletics Debt Service Payments



Project (in thousands)	FY 2025 Actuals	FY 2026 Budget	FY 2027 Proposed Budget
Original Bright Football Complex	\$ 815	\$ -	\$ -
Olsen Field	286	281	284
Athletic Facilities (Misc)	278	275	276
Kyle Field Redevelopment	16,518	16,513	16,513
Aggie Softball Stadium	1,120	1,119	1,121
Aggie Track	688	685	686
Bright Area Redevelopment	13,252	4,702	4,459
Swimming and Diving	440	-	-
Player Development Center	-	1,274	674
<b>Total</b>	<b>\$ 33,396</b>	<b>\$ 24,847</b>	<b>\$ 24,013</b>

# FY2027 Budget



*Revenue Budget*  
*Expense Budget*

# FY2027 Proposed Revenue Budget

REVENUES <i>(in thousands)</i>	FY 2026 Budget	FY 2027 Proposed	Budget Variance	
			\$	%
State Appropriations	\$ 547,208	\$ 544,878	\$ (2,330)	-0.4%
Available University Fund	300,000	350,000	50,000	16.7%
Tuition and Fees	1,016,717	1,022,393	5,676	0.6%
Contracts and Grants	295,117	287,458	(7,659)	-2.6%
Student Financial Assistance	101,480	117,500	16,020	15.8%
Gifts	152,059	160,184	8,125	5.3%
Sales and Services	473,980	506,978	32,998	7.0%
Investment Income	89,954	92,935	2,981	3.3%
Other Income	23,514	22,831	(683)	-2.9%
Discounts	(221,500)	(294,683)	(73,183)	33.0%
<b>TOTAL REVENUES:</b>	<b>\$ 2,778,528</b>	<b>\$ 2,810,474</b>	<b>\$ 31,946</b>	<b>1.1%</b>

# FY2027 Proposed Expense Budget

<i>(in thousands)</i>	FY 2026 Budget	FY 2027 Proposed	Variance	
			\$	%
<b>TOTAL REVENUES:</b>	<b>\$ 2,778,528</b>	<b>\$ 2,810,474</b>		
<b>Expenses:</b>				
Salaries - Faculty	\$ 536,602	\$ 578,337	\$ 41,735	7.8%
Salaries - Non-Faculty	536,892	567,289	30,396	5.7%
Wages	87,202	83,564	(3,638)	-4.2%
Benefits	301,187	326,643	25,456	8.5%
Personnel Costs	\$ 1,461,884	\$ 1,555,833	\$ 93,949	6.4%
Utilities	82,675	83,843	1,168	1.4%
Scholarships	329,693	351,132	21,439	6.5%
Discounts	(221,500)	(294,683)	(73,183)	33.0%
Equipment	68,388	36,746	(31,642)	-46.3%
Operations and Maintenance (Net)	766,556	854,125	87,569	11.4%
Debt Service	155,345	167,459	12,114	7.8%
<b>TOTAL EXPENDITURES:</b>	<b>\$ 2,643,041</b>	<b>\$ 2,754,456</b>	<b>\$ 111,415</b>	<b>4.2%</b>
Other Transfers:	(92,311)	(21,524)		
<b>CHANGE IN NET POSITION</b> (Rev-Exp+Transfer)	<b>\$ 43,176</b>	<b>\$ 34,494</b>		

# Capital Plan Update

*Executive Facilities Committee*

*Capital Project Update*

*Future Project Plans*



Linda & Dennis Clark '68 Small Animal Teaching Hospital

## Executive Facilities Committee

- Created the Executive Facilities Committee to provide project guidance, review and prioritize ALL project requests
- Meets monthly
- Reviews space requests external to division and for unidentified space
- Office of the University Architects guides the process from start to finish. This includes scale/scope of project, budget, timeline and planning.

# Projects in Design or Construction

APPROVED	Total Planning Amount (In M)	Funding Source			Current Status	Gross Square Footage
		PUF Debt Proceeds	RFS Debt Proceeds	Other		
West Campus Learning Commons	\$ 130	75	50	5	Planning	112,193
Mays Business School - Building 3	\$ 192	50	114	29	Planning	156,026
Renovation of Bldg 1041 for G.I. Labs	\$ 21			21	Planning	28,752
HEEP Laboratory Building Renovation	\$ 30	3		27	Planning	26,558
Poultry Science Center	\$ 34	7	12	17	Planning	32,200
Discovery Drive Parking Garage	\$ 104		104		Planning	657,000
Biology Teaching and Research Building	\$ 220		200	20	Design	184,651
Academic Building Exterior Restoration	\$ 30	11		19	Design	Exterior
Satellite Utility Plant 1 Expansion	\$ 30		30		Design	15,000
Fowler, Hughes & Schuhmacher Halls Plumbing Replacement	\$ 11		11		Design	135,610
Underwood Hall Shower Replacements & Fire Alarm Upgrade	\$ 6		6		Design	81,730
Penberthy Turf Replacement	\$ 5		5		Design	n/a
HVAC System Hart Hall	\$ 9		9		Construction	50,416
CUP Generator Replacement	\$ 27		27		Construction	4,904
**Texas A&M University Space Institute	\$ 200			200	Construction	396,424
Player Development Center at Blue Bell Park	\$ 28		13	15	Construction	36,451
Penberthy Road Expansion & Multi-Use path	\$ 6		4	2	Construction	N/A
*Linda & Dennis Clark '68 Small Animal Teaching Hospital	\$ 181	70	82	29	Construction	136,182
Aplin Center	\$ 250	100	35	115	Construction	200,346
<b>Total</b>	<b>\$ 1,514</b>	<b>316</b>	<b>702</b>	<b>498</b>		

\* denotes CCAP Project

\*\* denotes General Revenue Funding

# Space Collaboration Facility

- Located adjacent to Johnson Space Center with high-bay research spaces, labs and support spaces
- \$200M funded from state legislature
- 32-acre ground lease with NASA
- Home to Texas A&M Space Institute
- 54% complete



# Aplin Center

- Located across Wellborn from the Texas A&M Hotel & Conference Center on West Campus
- Multi-disciplinary facility including food, hospitality and business programs as well as a new visitor center
- \$250M funded by PUF, RFS designated tuition, cash
- 212K gross square feet



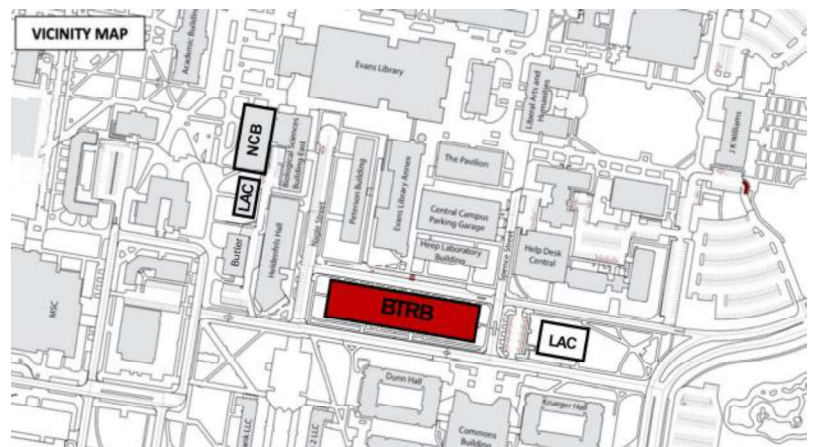
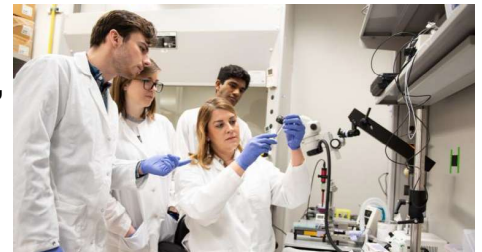
# Player Development Center

- New facility with updated locker rooms, sports medicine, strength and conditioning and team meeting spaces
- 20% construction complete
- \$28M funded by gifts
- 36K gross square feet
- Substantial completion January 2027



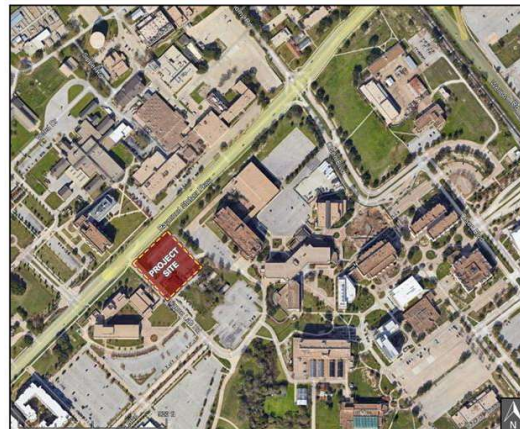
# Biology Teaching & Research Building

- New building to accommodate growth of the biology department with both research and instructional labs, seminar event space, an immersive learning studio, an onsite vivarium and office space
- \$220M funded by RFS DT, AUF and cash
- 185K gross square foot
- Projected completion March '29



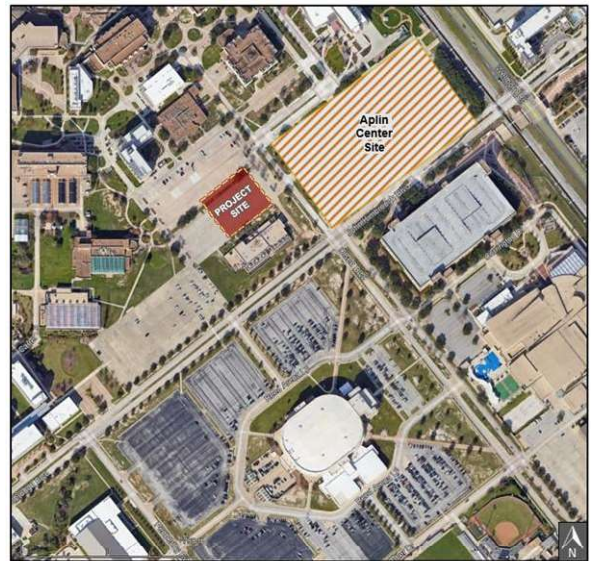
# Mays Building #3

- New building to house the Mays Graduate School, providing dedicated facilities for graduate business students
- 156K Gross Square Feet includes classrooms and instructional labs, flex online studio, event space and administrative offices
- \$192M funded by PUF, RFS designated tuition, gifts and cash



# West Campus Learning Commons

- New classroom and office building servicing west campus
- \$130M funded by PUF, RFS DT & AUF cash
- Currently sited on Lot 74 just north of SUP1
- 112K gross square feet



# Proposed FY2027 Projects



PROPOSED	Projected FY	Total Planning Amount (In M)	Funding Source			Current Status	Gross Square Footage
			PUF Debt Proceeds	RFS Debt Proceeds	Other		
Vet Med Animal Teaching Facility	FY27	\$ 19			19	Pending BOR Approval	15,000
Reynolds Medical Sciences HVAC Upgrades	FY27	\$ 13	6		7	Pending BOR Approval	41,466
Campus Sanitary & Storm Sewer improvements	FY27	\$ 8		8		Pending BOR Approval	n/a
Domestic Water Distribution System Improvements	FY27	\$ 9		9		Pending BOR Approval	n/a
SUP1 New Chiller 108 & Chillers 101/102 Replacement	FY27	\$ 34		34		Pending BOR Approval	n/a
Thermal Distribution Lines Improvement	FY27	\$ 9		9		Pending BOR Approval	n/a
Domestic Water Well 6 Upgrade	FY27	\$ 21		21		Pending BOR Approval	n/a
Evans Library 6th Floor Renovations	FY27	\$ 17			17	Pending BOR Approval	33,570
Engineering Education & Research Complex	FY28	\$ 220	208		13	Pending BOR Approval	TBD
Domestic Waterloop Extension	FY28	\$ 5		5		Pending BOR Approval	n/a
Evans Library 2nd Floor Renovations	FY28	\$ 8			8	Pending BOR Approval	12,000
West Campus Vivarium	FY28	\$ 135	100		35	Pending BOR Approval	74,613
Virtual Production Institute Fort Worth	FY28	\$ 25	25			Pending BOR Approval	TBD
	Total	\$ 522	338	86	98		

# Future Years Unfunded Projects

Unfunded Projects	Projected FY Start Date	Total Planning Amount (In M)
Duncan Dining Hall 2.0	FY 2028	\$ 100
West Campus Student Services & Library Building	FY 2028	\$ 150
West Campus Housing Phase I of III	FY 2028	\$ 295
Garage #9	FY 2028	\$ 75

# Long-Term Strategic Projects

- Allen Building Expansion
- West Campus Data Center (Power)
- Academic Building Renovation – Phase 2 (Interior)
- Reynolds Lab Renovation (floors 3 & 4)
- Architecture Building



# Texas A&M University

## Programmatic Budget Review

April 28, 2026

