

Texas Christian University Fiscal Year 2026 Operating Budget



To the Board of Trustees:

Highlights

Fiscal Year 2025 once again proved that Texas Christian University is an institution on the move. From the recently approved [LEAD ON: Values in Action Strategic Plan](#) to the completed TCU [Campus Master Plan](#), the official opening of the [Anne Burnett Marion School of Medicine](#) to the successful completion of Hill, Walsh, and Gutierrez Halls for student [Housing and Dining](#), a 13:1 student-to-faculty ratio and [record enrollment of 12,938](#), the Horned Frog Community continues to impress with even greater aspirations for the future.

And beyond TCU and TCU students [stepping into the spotlight](#) for cameos on Paramount+ and writer Taylor Sheridan's *Landman*, continued [national accolades](#) abound:

- *U.S. News & World Report:*
 - #105 Best National Universities
 - Top 50 Best Business Schools
- *The Princeton Review:*
 - #2 Best-Run Colleges
 - # 6 Happiest Students
 - #9 Best Residential Housing
 - #10 Best Quality of Life
 - #11 for Best Health Services
 - #13 Best College Library
 - #19 Most Beautiful Campuses
 - #25 Best Career Services
- *Poets&Quants:* Best Undergraduate Business School in Texas
- *The Wall Street Journal:*
 - Top U.S. Colleges for Career and Learning-Related Opportunities

Further, *U.S. News & World Report* named three TCU programs and three specialties in its Best Graduate Schools rankings for 2024-2025, several climbing multiple spots from last year:

- Both the full-time and the part-time MBA programs in the TCU Neeley School of Business are ranked in the Top 100: TCU Neeley advanced to tie for No. 44 in Best Business Schools, and its part-time MBA rose to tie for No. 66.



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- The College of Education climbed to tie at No. 117 for Best Education Schools.
 - Harris College of Nursing & Health Sciences had three specialties that made the Health Specialty Rankings. Most notably, nurse anesthesia ranked No. 7. Also on the list were speech-language pathology, tied at No. 78, and social work masters, tied at 142.

Retention and graduation rates also remain strong at 93% and 85.6%, respectively. This ongoing student success is attributed to the Student Success Center which incorporates comprehensive tutoring, testing, and academic coaching and formalized outreach to students who had not registered for the upcoming semester. TCU plans to continue this success with Project 90, aiming to keep raising the bar and retain and graduate 90 percent of our students within six years.

This success was widely shared with the addition of the [Riff Ram Road Show](#) events in numerous cities with university leaders focused on sharing contributions from and success with each site location, insights on TCU's strategic plan, the value of a TCU degree, the research and creative scholarship underway, and athletic program successes. The Road Show has visited, or plans to visit, Midland-Odessa, Houston, Chicago, Denver, Austin, Orange County, and New York.

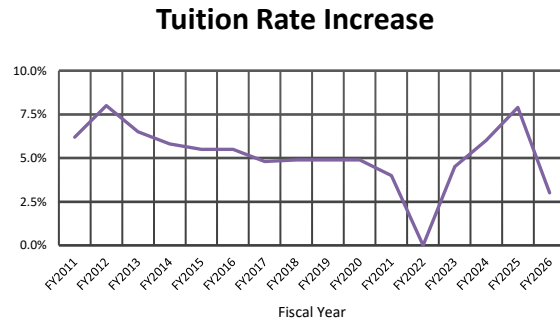
While Horned Frogs continue to excel in the classroom, the year also saw extraordinary achievements in Athletics. TCU's Women's Basketball team won its first Big 12 Championship and is advancing to the "Sweet Sixteen" in the NCAA Tournament for the first time. Football ended its season with a 9-4 overall record and a 2024 New Mexico Bowl win. And, as of this writing, TCU currently has [10 sports nationally ranked](#), with several other programs receiving votes or just outside the Top 25.

Also exciting this past year, nine Horned Frogs qualified for the [Paris Olympics](#), sending more students and alumni to compete on the world stage than ever before. Together, they represented seven countries in five sports: basketball, tennis, rifle, beach volleyball and swimming.



Fiscal Year 2026

The University is committed to maintaining a healthy financial position. Enrollment remains strong as do contributions to, and earnings from, TCU's Endowment. This Fiscal Year 2026 Operating Budget integrates the approved academic year tuition rate increase of 3.0%. This follows a 7.9% increase in Fiscal Year 2025. Additionally, a merit pool of three percent (3%) for faculty and staff was funded. This merit increase recognizes employees as TCU's number one priority.



With these factors in mind, University administration prepared this Fiscal Year 2026 Operating Budget for the Board of Trustees' review and approval.

Highlights of next year's Operating Budget include the following:

- Total budgeted revenues of \$779.9 million, a 6.9% increase from Fiscal Year 2025.
- Tuition rate increase of 3.0% resulting in full-time undergraduate tuition of \$63,500.
- Budgeted undergraduate enrollment of 11,379 students.
- An Endowment payout of \$117.4 million, an increase of \$6.3 million from the previous year.

STRATEGIC CONTEXT

In Spring 2024, under the direction of the Board of Trustees, TCU embarked on an inclusive process to draft a new strategic plan to guide the University to a sustainable future. Led by President Daniel W. Pullin and guided by the Board's vision provided during the Day of Dialogue in January 2024, strategic planning efforts included input from more than 10,000 community members through surveys, town hall meetings, workshops, and other focused stakeholder engagement sessions, with more than 200 TCU faculty and staff members directly involved in writing the plan.

After ten months of envisioning the future together, President Pullin presented TCU's next strategic plan to the Board at the Fall 2024 Board of Trustees Retreat/Meeting. The Board unanimously approved TCU's new strategic plan, *LEAD ON: Values in Action*, and highly commended the work of the TCU community for their significant efforts to envision TCU's future.



Following the direction and vision of the Board and representing the University's collective aspirations, the innovative strategic plan builds on TCU's momentum and strength to lead TCU to new heights and greater levels of student success and impact. TCU's Values of *Integrity, Engagement, Community, and Excellence* are foundational to the *LEAD ON: Values in Action* strategic plan, which is comprised of four strategic pillars:

- 1) Student-centered Growth,
- 2) Research, Scholarship, and Creative Activities,
- 3) Athletics, and
- 4) Community Engagement.

The Fiscal Year 2026 Operating Budget contains key investments in the *LEAD ON: Values in Action* Strategic plan, including:

- A foundational investment through a 3% merit pool in recognition of TCU's most important resource: its employees.
- Financial Aid for First-Year and continuing students to provide access and opportunities, strengthen the TCU experience and campus culture, and enhance our academic profile (Pillar 1).
- Investments in faculty to support the 14:1 student-to-faculty ratio (Pillars 1 and 2).
- Continued funding to support the Anne Burnett Marion School of Medicine to assist in strengthening the academic profile and reputation of TCU (Pillars 1 and 2).
- TCU's commitment to participating at the maximum level of revenue sharing with its student-athletes as a result of the House versus NCAA ruling (Pillar 3).
- Continued foundational investment in capital improvements to enhance the campus experience, environment, and infrastructure (Pillars 1, 2, 3, and 4).

TCU's Fiscal Year 2026 Operating Budget continues to invest strategically in financial aid to encourage opportunities for students and impact student persistence. In concert with donor contributions to the Endowment for scholarships, the significant undergraduate tuition discount rate supports the goal of improving TCU's academic profile and reputation by making it more accessible to talented students nationwide.



BUDGET SUMMARY

The Operating Budget for the 2025-2026 Academic Year totals \$779.9 million, an increase of \$50 million or 6.9%, over the Fiscal Year 2025 Operating Budget. A budget summary with a comparison to the prior year's operating budget can be found at the end of this document. The allocation of revenues and expenses among the categories are shown in pie charts below, along with information about each revenue and expense category.

REVENUES

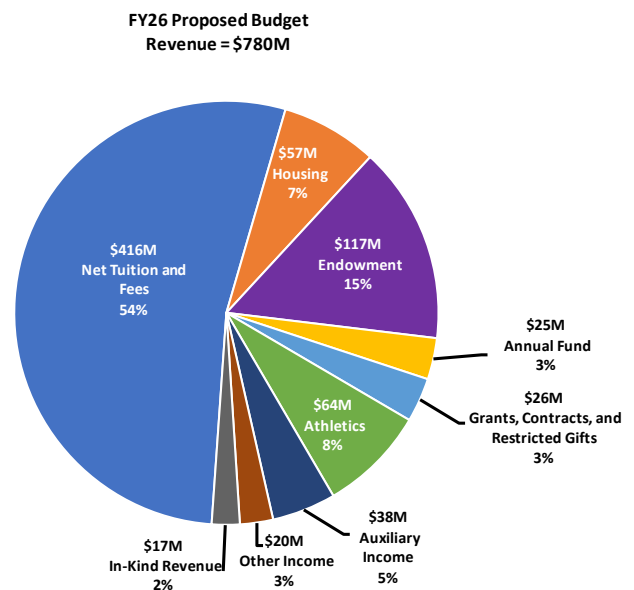
The University's total revenues are comprised of several sources with the principal source being Net Tuition Revenue. Net Tuition is the tuition revenue the University receives after the application of tuition discounts funded by grants, scholarships, and other institutional funded Financial Aid awards. The Fiscal Year 2026 Net Tuition Revenue is expected to increase 7.5%, or \$29 million.

Total Tuition and Fees is budgeted to increase 6.6% over the Fiscal Year 2025 Operating Budget to \$819.1 million before any discounts. The growth is due to the tuition rate increase, the incorporation of the Neeley Differential Tuition rate, and the rising retention of students.

Financial Aid for undergraduate and graduate students is budgeted at \$402.7 million, or 5.8% higher than the current year's budget of \$380.7 million and includes all forms of aid that are offered to students: scholarships, need-based aid, graduate stipends, and aid for student-athletes.

Housing is expected to grow 9.5% or \$5.0 million over Fiscal Year 2025. This increase is driven by the additional housing related to the increased number of undergraduate students and a five percent (5%) increase in housing rates.

Endowment Spending will increase to \$117.4 million or 5.7% over the prior year's budget. The payout is based upon five percent (5%) of the trailing twelve-quarter average endowment market value as of December 31st of a particular year.



The **Annual Fund – Frog Club** budget is \$18.7 million. This revenue is generated from the donor portion of Athletics season tickets and parking.

Annual Fund – Institutional is unrestricted funding that the colleges and schools and other nonathletic units generate because of annual giving from donors.

Grants, Contracts, and Restricted Gifts are budgeted at \$26.3 million, an \$0.5 million increase year over year. These revenues include several different sources, the largest is federal and state grants for Financial Aid (\$15.3 million), followed by externally funded research grant revenue (\$10.2 million). Restricted gifts to the University are also included in this category.

Athletics revenues are largely driven by football related activities, including television revenue and conference distributions. Athletics revenues are budgeted at \$63.5 million, an increase of \$3.4 million or 5.7% above Fiscal Year 2025.

The majority of **Auxiliary Income** is derived from on-campus dining services. Auxiliary operations generally represent non-academic University activities such as food services and TCU Campus bookstore, which primarily serve students, faculty, and staff. Revenues from Starpoint School, KinderFrogs School, and Miller Speech and Hearing Clinic are also included in this category. Auxiliary Income is budgeted to be \$38 million.

Other Income includes revenue from numerous areas such as University Police, University Campus Recreation, the Campus Health Center, Frog Camp, and interest earned on working capital investments. This revenue is expected to increase 8.2%. The revenue increase is mainly due to the projected increase in Interest/Investment income resulting from higher interest rates projected for the Fiscal Year.

In-Kind Revenue is the recognition of support from the preceptor model for the TCU School of Medicine in Fiscal Year 2026.



EXPENSES

Compensation and Benefits includes faculty and staff salaries, fringe benefits, health insurance, retirement expense, tuition benefits for active employees, and post-retirement medical benefits for retired employees. Total compensation expense is budgeted to be \$443.7 million, an increase of 5.1%

over the previous Fiscal Year Operating Budget. The \$21.7 million increase is related to the three percent (3%) merit pay increase and the addition of faculty and staff positions in Fiscal Year 2026.

As compensation and benefits is the largest expense category to the University, this area is being continuously

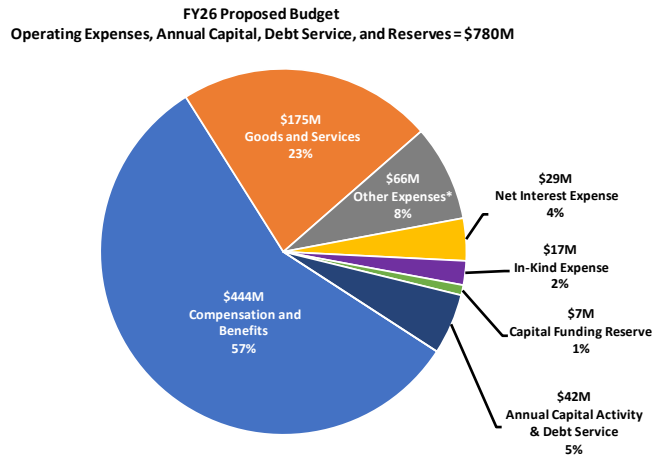
evaluated to ensure that best practices are being implemented and there is equity in all positions.

Expenditures for **Goods and Services** represent the University's second-largest expense category. Expenses are budgeted at \$175.5 million, with dining services contributing approximately twelve percent (12%) of the total. Other departmental operating costs such as travel, supplies, mail services, and dues and subscriptions are also recorded here.

The budget for **Utilities, Insurance, and Taxes** is higher compared to the prior year Operating Budget and is budgeted at \$23.3 million representing a 3.6% increase over Fiscal Year 2025. This category includes costs for utilities, auto, and other general insurance programs, as well as property and other taxes.

Equipment and Repairs represents the operational costs to maintain the University's campus facilities and to purchase non-capitalizable equipment, including software maintenance. In Fiscal Year 2026, the budgeted increase for this expense category is \$2.7 million or 12.9%.

Net Interest Expense represents the interest costs associated with the University's debt, less any portions that are capitalized toward construction projects. The budget for Net Interest Expense will increase by \$0.2 million in Fiscal Year 2026.



Other Expenses includes a variety of costs, such as debt- and bank-related fees, credit card fees, bad debt expense, and other miscellaneous expenditures.

Strategic Expenditures in the Fiscal Year 2026 Operating Budget consists of funding set aside to support the University's strategic plan, *LEAD ON: Values in Action*. Allocations from this funding source will be prioritized by Administration and will be aligned with the four pillars of the strategic plan. Additionally, within this expense category, \$1 million in funding has been designated to support the Burnett School of Medicine's Clinical Research Trial Consortium. This is the third installment of a five-year funding commitment.

The **Capital Funding Reserve** and **Annual Capital Activity** represent funds that are set aside from operations and are used to support the University's capital needs. Budgeted at a combined \$34.5 million in Fiscal Year 2026, these funds are used for expenditures related to academic and non-academic building improvements (reshoring), capital equipment, computers, annual capital projects, and other capital activities.

LEAD ON: Values in Action

TCU is unwaveringly focused on our values of *Integrity, Engagement, Community, and Excellence*. Our investments reflect these values as well as the four pillars of our *LEAD ON: Values in Action Strategic Plan* of 1) Student-Centered Growth, 2) Research, Scholarship, and Creative Activities, 3) Athletics, and 4) Community Engagement. After over a decade of significant investment in TCU's people, programs, students, and facilities as part of *Vision in Action: Lead On* plan, the University is emphasizing a future TCU that is more academically distinct yet accessible to an even greater number of qualified students. This will require a heightened focus on investing TCU's limited resources in the most impactful ways and even greater engagement with donors for endowed scholarships and endowments for people and programs. TCU is well-positioned and eager to take on this challenge.



SUMMARY

The proposed Fiscal Year 2026 Operating Budget continues to support the goals outlined in the *LEAD ON: Values in Action* while maintaining strong financial stewardship. The Fiscal Year 2026 Operating Budget is presented for consideration to the Board of Trustees on the following page, along with the comparison to the Fiscal Year 2025 Operating Budget. The proposed Operating Budget continues TCU's commitment to fulfilling the Mission Statement: To educate individuals to think and act as ethical leaders and responsible citizens in the global community by providing financial resources that improve sustainability for decades to come.

Respectfully submitted,

William J. Nunez, Ph.D.
Vice Chancellor for Finance and Administration

April 2025



TEXAS CHRISTIAN UNIVERSITY
Fiscal Year 2026 Proposed Operating Budget

(\$ in millions)

	FY2025 Budget	FY2026 Budget	Variance Amount	Percent
<i>Revenues:</i>				
Tuition and Fees	\$768.1	\$819.1	\$51.0	6.6%
Financial Aid	(380.7)	(402.7)	(22.0)	5.8%
Total Net Tuition	\$387.4	\$416.4	\$29.0	7.5%
Housing	52.4	57.4	5.0	9.5%
Endowment Spending	111.1	117.4	6.3	5.7%
Annual Fund – Frog Club	16.8	18.7	1.9	11.3%
Annual Fund – Institutional	5.9	5.9	0.0	0.0%
Grants, Contracts, and Restricted Gifts	25.8	26.3	0.5	1.9%
Athletics	60.1	63.5	3.4	5.7%
Auxiliary Income	38.2	38.0	(0.2)	(0.5%)
Other Income	18.2	19.7	1.5	8.2%
In-Kind Revenue	14.0	16.6	2.6	18.6%
Total Operating Revenues	\$729.9	\$779.9	\$50.0	6.9%
<i>Expenditures:</i>				
Compensation and Benefits	422.0	443.7	21.7	5.1%
Goods and Services	150.9	175.5	24.6	16.3%
Utilities, Insurance, and Taxes	22.5	23.3	0.8	3.6%
Equipment and Repairs	21.0	23.7	2.7	12.9%
Net Interest Expense	29.0	29.2	0.2	0.7%
Other Expenses	7.5	6.8	(0.7)	(9.3%)
Strategic Expenditures	2.3	12.4	10.1	439.1%
In-Kind Expense	14.0	16.6	2.6	18.6%
Total Operating Expenditures	\$669.2	\$731.2	\$62.0	9.3%
Capital Funding Reserve	7.0	7.0	0.0	0.0%
Annual Capital Activity	27.5	27.5	0.0	0.0%
Debt Service	12.8	14.2	1.4	10.9%
Total Capital Activities and Debt Service	\$47.3	\$48.7	\$1.4	3.0%
Revenues in Excess of Expenditures and Reserves	\$13.4	\$0.0	(\$13.4)	(100.0%)