

Operating Budget for Fiscal Year 2026

For Consideration by the Board of Trustees
March 28, 2025

Executive Overview

Purpose of Report

The purpose of this report is to review the fiscal year 2026 operating budget of the University of San Francisco and to recommend its approval by the Board of Trustees. The Office of Planning and Budget prepared this report and the budget therein in consultation with the executive officers of the University and the University Budget Advisory Council (UBAC*).

The report outlines budgeted revenue and expense categories and details the spending plan for fiscal year 2026 using updated enrollment targets and projections (as of the Spring Census update) and revenue forecasts, along with the Board's approved tuition and fee rates.

Recommendation

The Interim President has approved the 2026 unrestricted operating budget herein and recommends that the Board of Trustees approves the proposed fiscal year 2026 unrestricted operating budget.

Process

Vice presidents approve unit plans and contractual increases which are presented for discussion and prioritization at the University Budget Advisory Council and Cabinet meetings. Additionally, in efforts to balance the operating budget, Cabinet provides additional adjustments and reductions. The Interim President makes final funding decisions in consultation with the Cabinet.

The School of Law develops its own budget, which is reviewed by Law faculty and administrators under separate funding policies. The Provost also reviews and approves Law's budget. The School of Law budget is included in this report as it is incorporated into the University's overall proposed fiscal year 2026 operating plan.

*Per UBAC's bylaws: Aligned with the mission of the university, UBAC will advise the President, Provost and Cabinet regarding the university's budget, providing a vital link between the university leadership and the community. In this advisory role, UBAC will make recommendations on the university budget and financial plan, accounting for both current and future needs. In support of the university's strategic goals of developing inclusive and participatory shared governance as well as mission-driven resource stewardship, UBAC will educate the university community about budget processes and considerations, providing feedback from the multiple perspectives of campus stakeholders. To foster transparency, UBAC will serve with the goal of making all of the University's financial decisions and processes more accessible and transparent to the USF community. UBAC is composed of five administrators, five faculty members, five staff members, and three students.

FY 2026 Operating Budget Highlights

FY 2026 total operating budget is \$493.0 million

- The tuition (net of exceptions) budget of \$428.0 million decreases by \$20.6 million, or 4.6%, from the FY 2025 Board budget* and increases \$967 thousand, or 0.2%, from FY 2025 forecasted actuals (as of March 17, 2025).
- The unrestricted financial aid budget of \$142.0 million decreases \$1.1 million, or 0.8%, from the FY 2025 Board budget and increases \$7.8 million, or 5.8%, from FY 2025 forecasted actuals. The University's unfunded discount rate increases to 33.2% — up from 31.9% in the FY 2025 Board budget and up from 31.4% with respect to FY 2025 forecasted actuals. The University's FY 2026 total (unfunded and funded) discount rate is 36.9%, with a total undergraduate rate of 45.1%, and a total graduate rate of 15.4%.
- The net tuition budget of \$285.9 million decreases by \$19.5 million, or 6.4%, from the FY 2025 Board budget and decreases \$6.8 million, or 2.3%, from FY 2025 forecasted actuals.
- The proposed FY26 budget includes converted FY25 one-time to FY26 base budget division savings of \$18.7 million and a balancing transfer in budget of \$36.5 million.

Enrollment projections of 8,726 student headcount and 234,323 student credit hours (SCHs)

- A decrease of 17,866 SCHs (a 7.1% decrease) from the FY 2025 budget and a decrease of 7,887 SCHs (a 3.3% decrease) from FY 2025 actuals (as of Spring Census update).

Tuition, room, and board increases

- Traditional undergraduate tuition increases by 3.25% (with tuition, fees, room, and board, the typical traditional undergraduate student cost of education increase is 3.25%).
- The tuition increases for graduate programs varies by program.
 - Arts and Sciences tuition rates increase by 2.0%, the Master of Public Administration has an increase of 17.7% to bring total program costs in line with similar programs in Arts & Sciences.
 - School of Education tuition rates increase by 1.9%.
 - School of Law JD increases tuition rates by 2.9% for continuing full-time and part-time students with an 8.5% increase for the entering 1L cohort. Law LLM (ICL and IPTL) programs increase by 0.9% while the LLM in Taxation and Master of Legal Studies in Taxation increase by 2.9%.
 - The School of Management MBA tuition rate increases by 2.9% as it does for the Master of Science in Entrepreneurship & Innovation (MSEI), the Master of Science in Accounting (MSA), and the Master of Science in Management (MIM). The EMBA program rate increases by 1.9%, and the Masters of Marketing Intelligence (MSMI) increases by 3.1%. The Master of Science in Information Systems (MSIS) is increasing at a higher rate for new students of 21.4% so that program costs will be comparable to similar programs in the School of Management.
 - School of Nursing and Health Professions increases tuition rates by 3.0% for the Master's Entry MSN, the Doctor of Nurse Practice Program, and the Doctor of Psychology. The RN-Master of Nursing and the Masters of Public Health see no increase.
- Residence hall rates increase by 3.25%, and meal plan rates also increase by 3.25%.

*FY 2025 Board budget is the budget that was approved in March 2024.

FY 2026 University planning priorities include:

<u>Division</u>	<u>Primary Unit</u>	<u>Compensation</u>	<u>FT FTE</u>	<u>Expenditures</u>	<u>Total</u>	<u>Description</u>
Business & Finance Division	Facilities Management	\$ -	-	\$ 8,208	\$ 8,208	Facilities Supplies - Soap, Paper & Liners
		\$ -	-	\$ 11,489	\$ 11,489	Cogen Plant Maintenance
		\$ -	-	\$ 20,469	\$ 20,469	Facilities Parts
		\$ -	-	\$ 28,308	\$ 28,308	Facilities Annual Contracts
		\$ -	-	\$ 86,449	\$ 86,449	Water Utilities
		\$ -	-	\$ 146,500	\$ 146,500	Hayes Healy Roof Repair
		\$ -	-	\$ 183,707	\$ 183,707	Gillson Roof Repair
		\$ -	-	\$ 255,794	\$ 255,794	Koret Roof Repair
		\$ -	-	\$ 309,453	\$ 309,453	Janitorial Contract - Annual Contract Increase
		\$ -	-	\$ 322,999	\$ 322,999	Koret Photovoltaic System Repair
		\$ -	-	\$ 452,301	\$ 452,301	Electric Utilities
		\$ -	-	\$ 509,914	\$ 509,914	Gas Utilities
	Subtotal	\$ -	-	\$ 2,335,591	\$ 2,335,591	
ITS Division	CIO	\$ -	-	\$ 303,905	\$ 303,905	Contractual Hardware/Software/Services Maintenance Increase
	Subtotal	\$ -	-	\$ 303,905	\$ 303,905	
Marketing Communications Div	Office Marketing Communications	\$ -	-	\$ 71,500	\$ 71,500	Contractual and Licensing Requests
		\$ -	-	\$ 100,000	\$ 100,000	USF Magazine
		\$ -	-	\$ 190,000	\$ 190,000	Street Pole Banners
	Subtotal	\$ -	-	\$ 361,500	\$ 361,500	
Provost Division	College of Arts and Sciences Enrollment Management	\$ -	-	\$ 170,000	\$ 170,000	Harney Swipe Card Installation
		\$ 299,750	3.00	\$ 180,000	\$ 479,750	Strategic Enrollment Management Enrollment Initiatives
		\$ -	-	\$ 165,661	\$ 165,661	Strategic Enrollment Management Contractual Increases
	Subtotal	\$ 299,750	3.00	\$ 515,661	\$ 815,411	
Student Life Division	Student Life	\$ -	-	\$ 6,843	\$ 6,843	Valet Parking Service
				\$ 15,000	\$ 15,000	Emergency Evacuation Stair Chairs Maintenance
				\$ 58,000	\$ 58,000	Public Safety Patrol Vehicle
	Student Development	\$ -	-	\$ 1,273	\$ 1,273	UWill Mental Health Services
	Subtotal	\$ -	-	\$ 81,116	\$ 81,116	
University	University	\$ 4,641,834	-	\$ -	\$ 4,641,834	Non-Law Full Time and Part Time Faculty Compensation Pools Funding
		\$ 4,360,542	-	\$ -	\$ 4,360,542	Staff Compensation Increase Pools Funding
	Subtotal	\$ 9,002,376	-	\$ -	\$ 9,002,376	
Grand Total		\$ 9,302,126	3.00	\$ 3,597,773	\$ 12,899,899	

Academic Programs with New FY26 Enrollment Projections, Law School, Student Housing, and Reserves:

- For FY 2026, the incremental expense budgets for academic programs with new enrollment projections are funded by the reallocation of budgetary resources within the Division of Academic Affairs rather than through the creation of new expense budgets. Planned programs with new, unique enrollment projections include:
 - BS Biotechnology
 - MS Applied Economics (4 + 1)
 - PSM Biotechnology (4 + 1)
 - MS Computer Science (4 + 1)
 - MA Global Studies (4+1)
 - MS International and Development Economics (4 + 1)
 - MA Urban and Public Affairs - (4 + 1)
 - MSN Nursing - Online (4 + 1)
 - MIM Management
 - MS Accounting (part-time) - Andersen
- Supporting reallocation has been achieved by cleaning up budgets associated with programs or cohorts that have been suspended or that have seen material declines in enrollment.
- These academic programs are projected to contribute \$1.7 million in net tuition.
- Law revenues increase by \$2,165 thousand and its expenses increase by \$1,717 thousand. Law's contribution will increase a total of \$448 thousand providing a total contribution to the university's overhead of \$6.1 million.
- Including the addition of Nagle Hall, Student housing revenue increases by a net \$149 thousand, with accompanying expense increases of a net \$451 thousand. Dedicated reserves for student housing revenue are budgeted at \$1,123 thousand, or 3.0% of student housing revenue.
- Total university reserves are budgeted at \$9.4 million or 1.9% of the university gross revenue budget of \$493.0 million.

FY 2026 Unrestricted Operating Budget Creation Process Goal

The primary goals of the budget creation process are (1) to align college-, school-, and division-level goals and activities with the vision, mission, and strategic priorities of the University and (2) to promote innovation that is reflected in both new academic programs and enrollment in existing academic offerings. While collecting and reviewing requests for new budget allocations, we strongly encourage academic and service units to fund reconfigured programs and required new costs through budget reallocation.

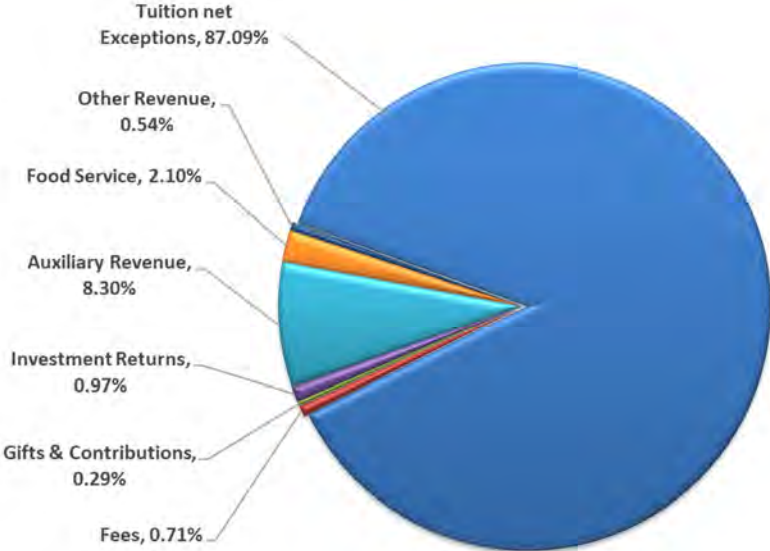
FY 2026 Unrestricted Operating Budget Creation Process Highlights

- Non-tuition revenue items were identified by the responsible managers and reviewed by the vice presidents.
- Additional revenue and expense budget requests were submitted through the University's online tool, Budget Assist, for consideration by unit and division leaders, as well as the University Budget Advisory Council, with ultimate funding decisions made by the Cabinet.
- New capital requests were also submitted through Budget Assist and reviewed by the University Budget Advisory Council, with ultimate funding decisions made by the Cabinet.
- Employee compensation was determined by contractual obligations with bargaining units, as well as the Cabinet's directives concerning compensation for exempt staff and executives.
- Tuition revenue budgets were based on enrollment targets and projections (supplied by the Division of Academic Affairs), as well as Board-approved tuition rates. The Board of Trustees also approved preliminary enrollment targets and projections at its winter meeting. Those projections have been modified and are reflected in this document.
- Institutional financial aid expenses were based on a combination of historical, forecasted, and targeted discount rates, as well as estimates of available restricted resources, i.e., gifts and endowment income.

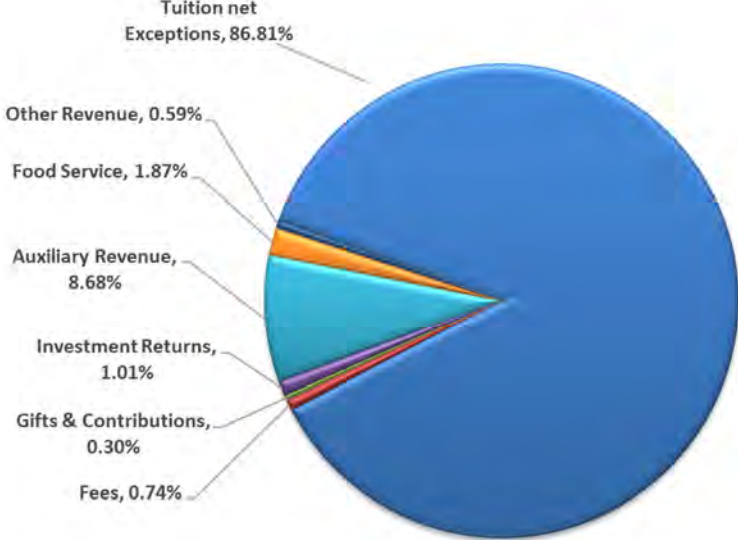
Future Operating Plans to Address the FY 2026 Balancing \$36.5 Million Transfer In Budget

- Working with the Executive Committee of the Board of Trustees, the university's vice presidents have drafted a multi-year operating plan resulting in additional revenues and expense savings to address the FY 2026 balancing \$36.5 million transfer in budget. The details of this future operating plan are available in a separate report.

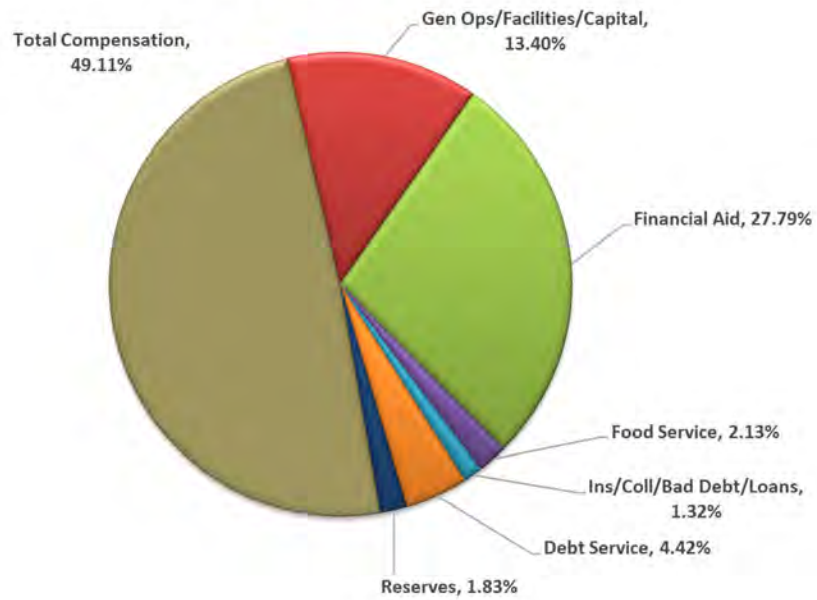
FY 2025 Revenue by Category



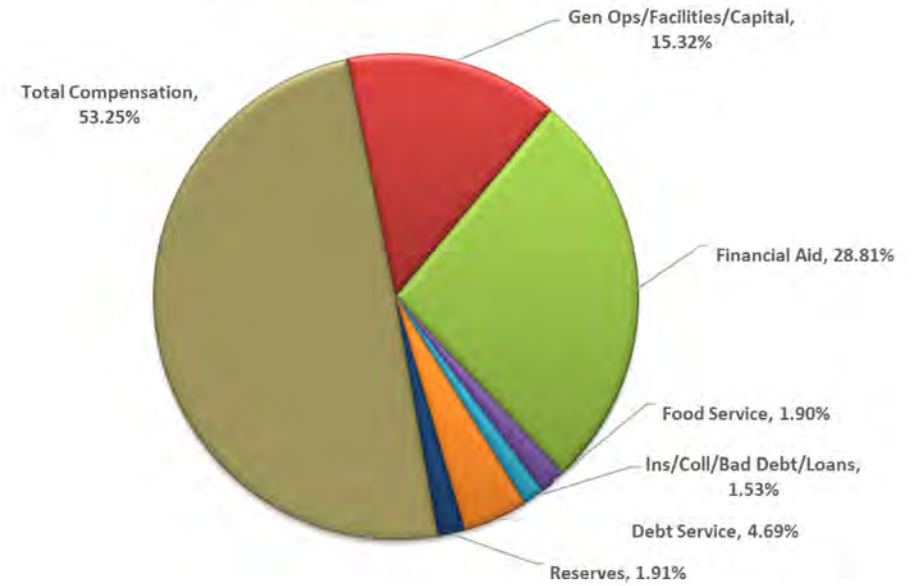
FY 2026 Revenue by Category



FY 2025 Expense by Category



FY 2026 Expense by Category



FY 2026 Proposed Operating Budget by Category

Across the University

The \$493.0 million operating budget for FY 2026 is based on the University's plan to welcome 8,726 continuing and new students across all of its campuses. The current FY 2025 Board budget includes base budget savings of \$37.4 million and one-time budget savings of \$20.6 million. Divisions which identified these one-time savings convert to base savings a total of \$18.7 million in the FY 2026 budget. To balance the FY 2026 operating budget, management includes a transfer in budget of \$36.5 million.

Revenue

Due to enrollment net decreases and rate increases, tuition revenue (net of tuition exceptions) is budgeted to decrease by \$20.6 million. Fee revenue budgets reflect a decrease in Law. Auxiliary revenue increase includes a 3.5% room rate increase, the addition of Nagle Hall, along with a reduction in other bed counts. Food service revenue decreases includes a volume adjustment, along with its matching expense budget. The increase to other revenues reflects an increase for Law.

Financial Aid Expense

Institutional financial aid is a combination of merit awards and need-based aid. Unfunded financial aid budgets will decrease, in aggregate, by 0.8%. This decrease will account for the University's recent and planned enrollment composition, discounting practices, and restricted funding.

Other Expenses

Compensation, general operating/facilities/capital, insurance premium and bad debt (collections), as well as debt service expenditure budgets all see increases. Matching its revenue, food service will see a decrease. Please refer to pages 15 and 16 for details.

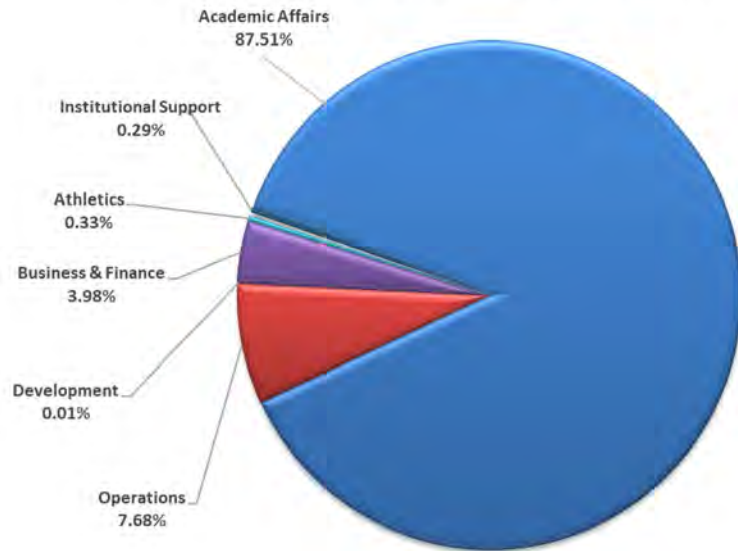
University Reserves

Operating reserves increase \$4 thousand, and its percentage of operating revenue budget increases to 1.9% in FY 2026 from 1.8% in FY 2025.

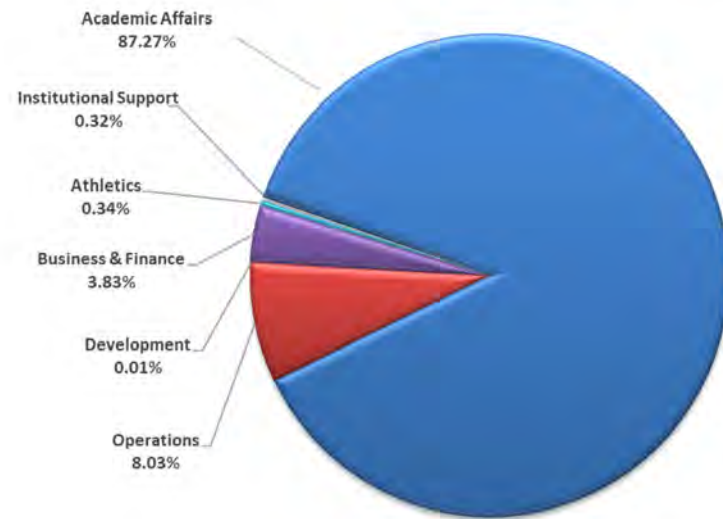
FY 2026 Budget Creation (in \$1,000's)

Revenue	FY 2025 Budget	FY 2026 Budget	Change	Change %
Tuition net Exceptions	448,599	427,976	(20,623)	-4.6%
Fees	3,651	3,645	(6)	-0.2%
Gifts & Contributions	1,502	1,502	-	0.0%
Investment Returns	4,994	4,994	0	0.0%
Auxiliary Revenue	42,746	42,786	41	0.1%
Food Service	10,797	9,200	(1,597)	-14.8%
Other Revenue	2,802	2,921	119	4.2%
Total Revenue	515,091	493,025	(22,066)	-4.3%
Expense				
Total Compensation	252,964	262,551	9,587	3.8%
Gen Ops/Facilities/Capital	69,040	75,523	6,483	9.4%
Financial Aid	143,143	142,040	(1,103)	-0.8%
Food Service	10,947	9,350	(1,597)	-14.6%
Ins/Coll/Bad Debt/Loans	6,819	7,549	730	10.7%
Debt Service	22,768	23,118	350	1.5%
Reserves	9,410	9,414	4	0.0%
Total Expense	515,091	529,545	14,453	-4.3%
Transfer In	-	36,520	36,520	-
Net Balance	(0)	-	0	0

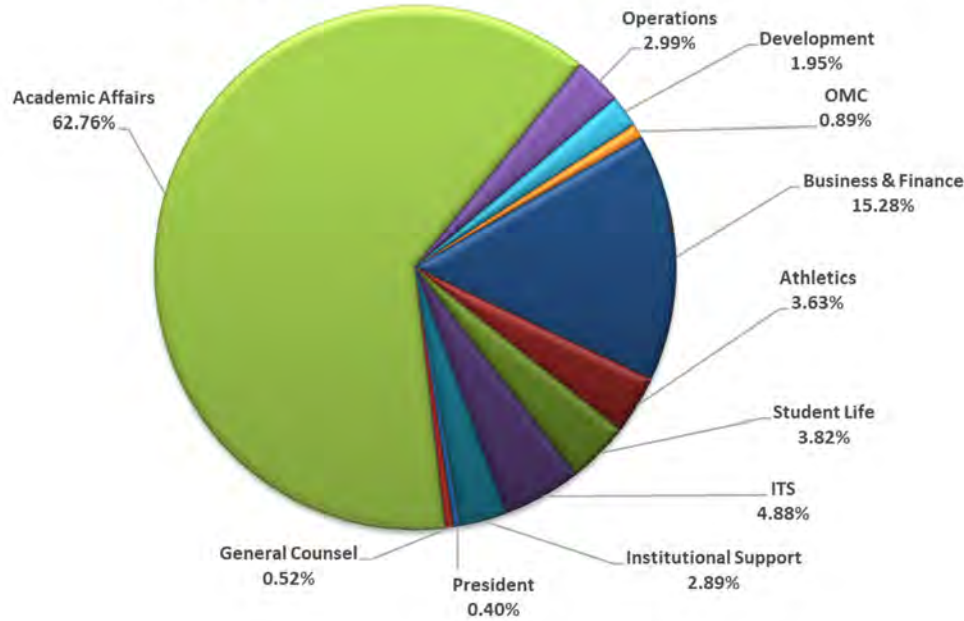
FY 2025 Revenue by Primary Functional Areas



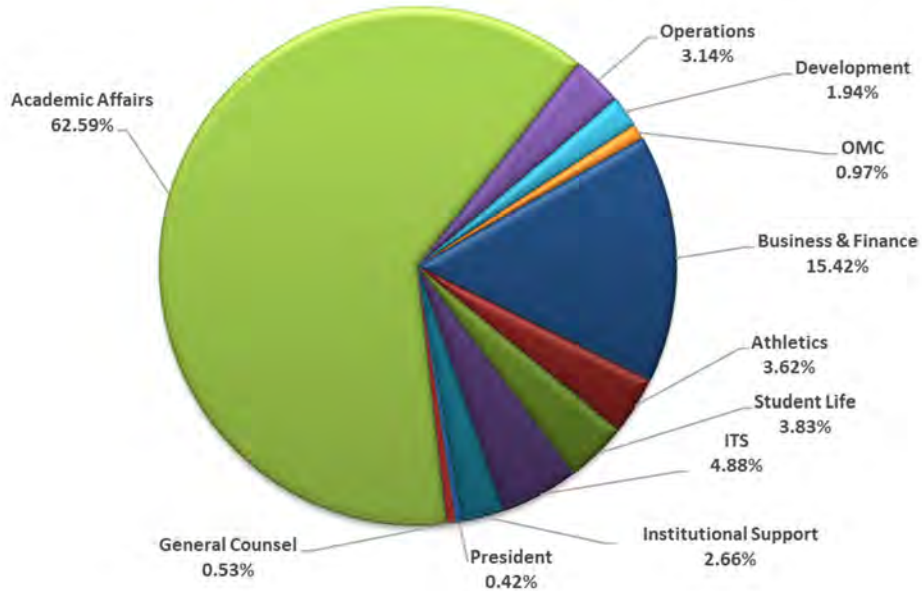
FY 2026 Revenue by Primary Functional Areas



FY 2025 Expense by Primary Functional Areas



FY 2026 Expense by Primary Functional Areas



FY 2026 Proposed Operating Budget by Primary Functional Areas

Revenue Changes

- The Division of Operations net increase is due to the addition of Nagle Hall and a decrease in the number of other student housing beds.
- The Division of Academic Affairs decrease is due to enrollment projections as of March 2025, adjusted by tuition increases approved by the Board of Trustees in December 2024.
- The Division of Business & Finance includes a meal plan volume reduction.

FY 2026 Proposed Budget (in \$1,000's)

Revenue	FY 2025 Budget	FY 2026 Budget	Change	Change %
Operations	39,551	39,600	49	0.1%
Academic Affairs	450,760	430,242	(20,518)	-4.6%
Development	30	30	-	0.0%
Business & Finance	20,477	18,881	(1,596)	-7.8%
Athletics	1,693	1,693	-	0.0%
Student Life	1,069	1,069	-	0.0%
Institutional Support	1,500	1,500	-	0.0%
Total Revenue	515,091	493,025	(22,066)	-4.3%

Expense Changes

- Expense budgets in functional areas see increases for planning priorities (see page three for details), current fiscal year compensation increases as well as any net increase for the conversion of FY 2025 one-time budget savings to FY 2026 base budget savings.
- The Academic Affairs net increase includes increases for Law, Strategic Enrollment Management as well as the Harney Science Center swipe card installation.
- The Office of Marketing Communications increases includes contract increases, USF Magazine funding, and support costs for city street pole banners.
- The Business and Finance net increase includes increases for utilities, janitorial service, facilities major repairs, insurance, bad debt, debt service as well as a decrease for food service.
- The Athletics increase includes additional scholarship support for the tuition increase.
- The Student Life increase includes contract increases as well as a replacement public safety vehicle.
- The Information Tech Services increase includes increases for contractual hardware, software, and services maintenance.
- Institutional Support sees a decrease in the funding of compensation increase pools.

Expense	FY 2025 Budget	FY 2026 Budget	Change	Change %
President	2,072	2,201	129	6.2%
Operations	15,378	16,652	1,274	8.3%
General Counsel	2,704	2,812	108	4.0%
Academic Affairs	323,287	331,423	8,136	2.5%
Development	10,028	10,278	250	2.5%
OMC	4,569	5,134	565	12.4%
Business & Finance	78,695	81,648	2,953	3.8%
Athletics	18,693	19,175	482	2.6%
Student Life	19,682	20,258	576	2.9%
ITS	25,116	25,863	747	3.0%
Institutional Support	14,867	14,102	(765)	-5.1%
Total Expense	515,091	529,545	14,454	2.8%
Transfer In	-	36,520	36,520	0.0%
Net Balance	-	-	-	-

Enrollment: Projections and Spring Census

(HC = Head Count; SCHs = Student Credit Hours)

	FY 2025 Budget		FY 2025 Spring Census		FY 2026 Budget	
	Fall HC	SCH	Fall HC	SCH	Fall HC	SCH
Undergraduate						
Arts & Sciences	3,606	139,968	3,269	125,852	3,130	119,574
Management	1,114	19,965	1,027	20,658	963	19,549
Nursing & HP	948	18,374	997	19,446	1,023	19,940
Undergraduate Total	5,668	178,307	5,293	165,956	5,116	159,063
Graduate						
Arts & Sciences	984	17,323	960	18,766	949	18,468
Management	417	8,613	390	7,950	404	8,791
Nursing & HP	581	14,534	522	13,815	496	12,936
Education	1,093	19,955	1,103	20,943	1,146	21,066
Law	551	13,457	571	14,780	550	13,999
Graduate Total	3,626	73,882	3,546	76,254	3,545	75,260
Visitors	140		170		65	
University Total	9,434	252,189	9,009	242,210	8,726	234,323

Enrollment, Revenue, and Expense: FY 2025 Budget vs. FY 2026 Budget

Undergraduate Enrollment

New undergraduate student enrollment is planned to decrease from 1,570 in fall 2024 to 1,489 in fall 2025. The undergraduate continuing student population is planned to decrease from 4,098 in fall 2024 to 3,627 in fall 2025. Overall, undergraduate student enrollment is planned to decrease from 5,688 in fall 2024 to 5,116 in fall 2025.

Graduate Enrollment

Arts and Sciences graduate student enrollment for FY 2026 is planned to increase from 17,323 SCHs in FY 2025 to 18,468 SCHs in FY 2026.

Management projected graduate SCHs are planned to increase from 8,613 in FY 2025 to 8,791 in FY 2026.

Nursing graduate SCHs are planned to decrease from 14,534 SCHs in FY 2025 to 12,936 in FY 2026.

Education total enrollment, as measured by SCHs, is planned to increase from 19,955 in FY 2025 to 21,066 in FY 2026.

Law total enrollment, as measured by SCHs, is planned to increase from 13,457 in FY 2025 to 13,999 in FY 2026.

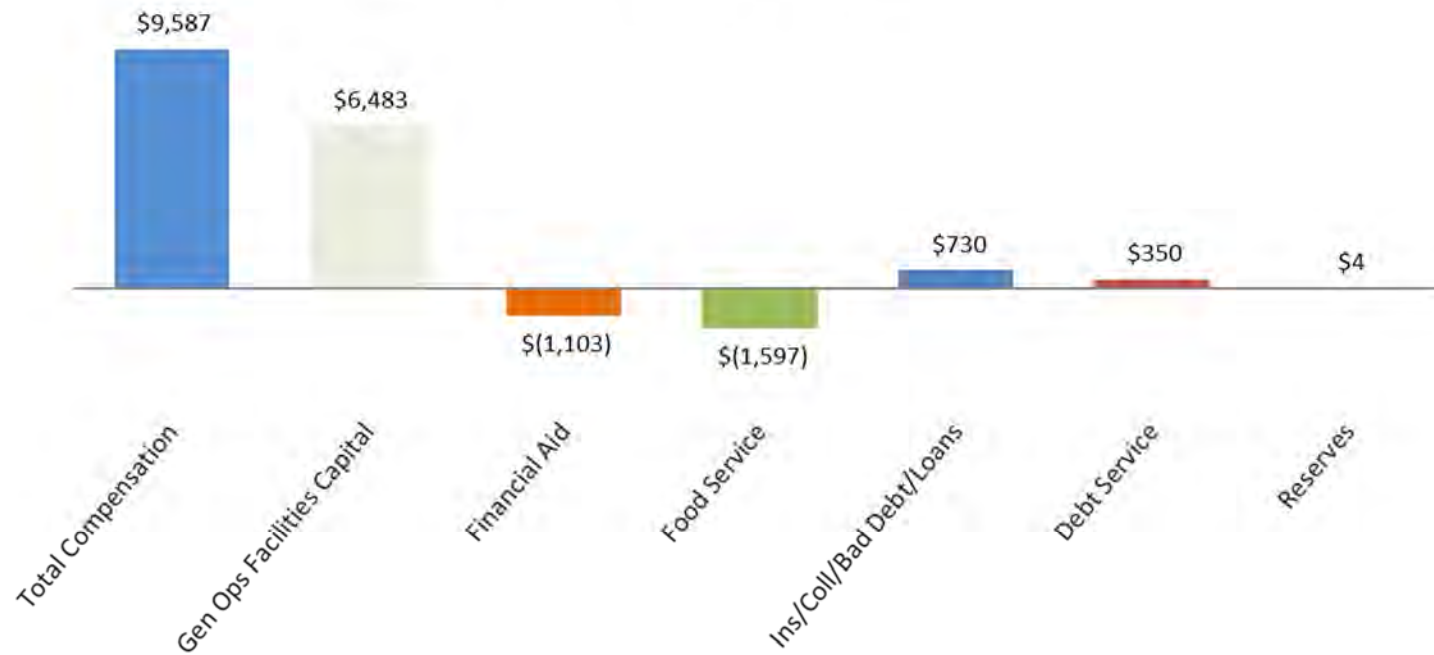
FY 2026 Budgeted Revenue and Expense by School or College

The table lists revenue budgets by teaching college, along with direct expense budgets. These budgets include enrollment adjustments as well as estimated allocations for full-time faculty compensation increases, part-time faculty compensation, and financial aid.

FY26 Budget	Revenue		Expense	
Arts & Sciences	\$	263,251	\$	186,529
Management	\$	51,225	\$	38,043
Education	\$	25,839	\$	16,006
Law	\$	28,285	\$	22,171
Nursing	\$	61,011	\$	37,749
	\$	429,611	\$	300,497

*All figures in \$1,000's

FY 2026 Change in Expense Budgets



Changes in Expense Budgets

Total Compensation

Employee compensation constitutes 49.6% of budgeted expenses in FY 2026. This category includes salaries for executive, professional and administrative staff; full- and part-time faculty; student employees; and statutory and employee benefit expenses, such as retirement savings contributions, tuition remission, health insurance, etc. Changes by category of compensation are on the next page and include division savings, compensation increase pools, and Law adjustments.

General Operating/Facilities/Capital

This category includes office supplies and equipment, leases, consumable goods and services, building operational costs, janitorial and utility charges, furniture, library holdings, and most scientific equipment. The net increase of \$6.5 million includes a net increase for the conversion of one-time to base division savings of \$2.6 million, increases for planning priorities of \$3.6 million, housing increases of \$472 thousand, Law decreases of \$380 thousand, and an increase of \$233K for online partner payments.

Financial Aid

The \$1.1 million decrease in financial aid includes a decrease of \$2.4 million in budgets supporting current undergraduate and graduate (non-Law) financial aid practices. Law increases its operating financial aid funding by \$1.6 million and housing financial aid decreases by \$118 thousand. An increase of \$200 thousand on the reliance of restricted funds to support financial aid offsets the operating budget by the same amount.

Food Service, Insurance, Bad Debt, and Debt Service

Food Service decreases by \$1.6 million matching its meal plan revenue decrease with a volume adjustment. Debt Service increases by a net \$350 thousand and Insurance and Bad Debt category increases by \$730 thousand to support an insurance increase of \$30 thousand and an increase of \$700 thousand in payment plan defaults.

Reserves

Reserves are designated for unexpected variations in revenues or expenses. The University will increase its operating reserves by \$4 thousand. The resulting level will represent 1.9% of operating revenue budgets and up from 1.8% in FY 2025.

Changes in Compensation Budgets

Faculty

Total faculty salaries for FY 2026 see a net increase of \$3.8 million. The net increase includes salary increase pools for non-Law faculty which are funded for actual collective bargaining agreements for both full- and part-time faculty. Law increases its faculty budgets by \$182 thousand.

Staff

Staff salaries for FY 2026 see a net increase of \$3.4 million and include the funding of salary increase pools for both represented and unrepresented staff. Law increases its staff budgets by \$107 thousand. Housing includes a new staff member for the addition of Nagle Hall and Strategic Enrollment Management adds three new positions in support of its FY 2026 strategic initiatives.

Student Staff

Student employment provides an opportunity for students to gain work experience and earn wages to support the cost of attending the University. It is also viewed as an effective use of university resources. For FY 2026, student worker salary pools see a net increase of \$31 thousand through division net savings, as well as increases for minimum wage laws.

Benefits

Benefits are budgeted at supporting rates for the University's differing salary categories for employees. Adjustments to benefits budgets are made in proportion to budget changes taking place in different salary categories. Total benefits for FY 2026 see a net increase of \$2.4 million.

<u>Compensation</u>	<u>FY 2025 Budget</u>	<u>FY 2026 Budget</u>	<u>Change</u>
Full-Time Faculty	63,999	66,664	2,665
Part-Time Faculty	22,415	23,523	1,107
Staff	93,594	96,946	3,352
Student Staff	7,997	8,028	31
Benefits	64,959	67,390	2,431
Total Compensation	252,964	262,551	9,587

* All figures in \$1,000's

FY 2025 Board Budget and Forecast Versus FY 2026 Budget

	FY25 Budget	FY25 Forecast^	FY26 Budget
Revenue			
Summer Tuition	27,716	27,119	26,556
Fall Tuition	216,601	207,074	207,894
Interession Tuition	2,207	2,880	2,575
Spring Tuition	205,353	193,430	194,861
Other Tuition	-	76	-
Tuition Waivers & Exceptions	(3,279)	(3,569)	(3,909)
Total Tuition	448,599	427,009	427,976
Scholarships	(143,143)	(134,258)	(142,040)
Tuition Net Scholarships	305,456	292,751	285,936
Fees	3,651	3,530	3,645
Gifts & Contributions	1,502	873	1,502
Investment Returns	4,994	4,994	4,994
Auxiliary Revenue	42,746	36,644	42,786
Board Revenue	10,797	8,739	9,200
Other Revenue	2,802	3,514	2,921
Total Revenue	371,948	351,044	350,985
Expense			
Salary & Benefit			
Full-time Faculty	63,999	63,878	66,664
Other Instruction and NTA	22,415	20,249	23,523
Total Faculty	86,414	84,127	90,187
Full-time Staff	90,619	89,616	93,499
Other Staff	2,974	3,443	3,447
Student Staff	7,997	7,333	8,028
Total Staff	101,591	100,392	104,974
Benefits	64,959	64,067	67,390
Total Compensation	252,964	248,586	262,551
Gen Ops/Facilities/Capital	69,040	72,434	75,523
Food Service	10,947	8,889	9,350
Ins/Coll/Bad Debt/Loans	6,819	7,519	7,549
Debt Service	22,768	22,368	23,118
Reserves	9,410	-	9,414
Total Non-Compensations	118,984	111,210	124,954
Total Expense	371,948	359,796	387,505
Transfer In			36,520
Operating Surplus/ (Deficit)	-	(8,752)	-

^ February Fiscal Period Operating Forecast

(All figures in \$1,000's)

Fiscal Year 2025 and 2026 Total Base Budget Reductions

In support of balancing the operating budget, over the past two years management has identified a total of \$56.0 million in base budget additional revenues and expense savings. The FY 2026 savings were previously captured as one-time budget adjustments in the FY 2025 Operating Budget. The two-year total base budget additional revenues and expense savings by category are as follows:

	CATEGORY	FY 2025	FY 2026	TOTAL	% TOTAL
REVENUE	Investment Returns	3,860,000		3,860,000	6.9%
	Auxiliary Revenue	550,000	485,000	1,035,000	1.8%
	Other Revenue	350,000		350,000	0.6%
REVENUE Total		4,760,000	485,000	5,245,000	9.4%
SALARIES & BENEFITS	Full-Time Faculty	3,968,199	4,562,616	8,530,815	15.2%
	Part-Time Faculty	795,519	705,280	1,500,799	2.7%
	Staff	3,954,259	3,165,465	7,119,724	12.7%
	Student Staff	1,109,007	349,779	1,458,786	2.6%
	Benefits	3,261,486	3,101,942	6,363,428	11.4%
SALARIES & BENEFITS Total		13,088,470	11,885,082	24,973,552	44.6%
EXPENDITURES	Gen Ops/Facilities/Capital	12,873,863	6,117,094	18,990,957	33.9%
	Scholarships	2,101,000	210,000	2,311,000	4.1%
	Ins/Coll/Bad Debt/Loans	295,311		295,311	0.5%
	Debt Service	3,235,000		3,235,000	5.8%
	Reserves	1,000,000		1,000,000	1.8%
EXPENDITURES Total		19,505,174	6,327,094	25,832,268	46.1%
TOTAL		37,353,644	18,697,176	56,050,820	100.0%

FY 2026 Restricted Fund Forecast (in 1,000's):

Revenue	FY 2026 Forecast
Endowment Distribution	24,000
Grants & Contracts	9,000
Restricted Gifts (exlcuding endowments)	17,000
Total Revenues	50,000
Expense	
Scholarships	24,000
Compensation (Salary & Benefits)	12,000
Program	14,000
Total Expenses	50,000
Net Balance	-

- The FY 2026 Restricted Fund Forecast represents all restricted (not spendable until specific purpose or criteria are met) revenues and expenses. These figures are not precise and have been estimated based on historical data. There are many unknown factors and uncertainty associated with them.
- The endowment distribution is an estimate based on 4.5% of the average market value of the endowment pools prior three years ending 12/31/2024. This figure will be adjusted once the valuation at 12/31/2024 has been finalized. The purpose percentages on historical endowments include 59% to endowed scholarships, 29% to program, and 12% to endowed faculty.
- Grants and contracts include estimated federal, state, city/county, corporate, and foundation revenues. Grants and contracts expenses will increase proportionately to increases in grants and contracts revenue.
- Restricted Gifts include all other estimated gift related contribution revenue. This does not include endowment contributions.
- Scholarships, compensation, and program expenses represent all forecasted expenses that meet the criteria and purpose of endowments, grants & contracts, and restricted gifts.

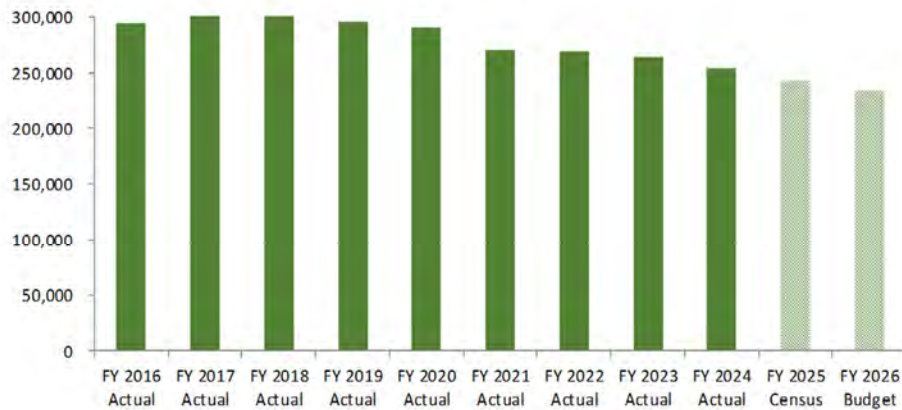
Appendix: Historical Analysis

Revenue

Tuition and fees make up 87.5% of the gross revenue in the FY 2026 operating budget. What follows is a review of the three main factors that influence the University's revenue: enrollment, tuition rates and financial aid.

Enrollment in Student Credit Hours (FY 2016 - FY 2026)

Enrollment in Student Credit Hours (FY 2016 - FY 2026)



Year	Total SCH	% Change	10-year % Change
FY 2016 Actual	294,223	4.0%	
FY 2017 Actual	301,323	2.4%	
FY 2018 Actual	301,090	-0.1%	
FY 2019 Actual	295,212	-2.0%	
FY 2020 Actual	290,577	-1.6%	
FY 2021 Actual	269,721	-7.2%	
FY 2022 Actual	268,648	-0.4%	
FY 2023 Actual	264,091	-1.7%	
FY 2024 Actual	254,189	-3.7%	
FY 2025 Census	242,210	-4.7%	
FY 2026 Budget	234,323	-3.3%	-20.4%

Tuition and Fee Income

Planned tuition and fee revenue increases because enrollment projections and/or tuition rates increase. The FY 2026 budget anticipates that tuition (net of tuition exceptions) and fee revenue will increase by 0.25% from the FY 2025 forecast. Tuition and fees constitute 87.5% of the FY 2026 gross revenue budget.

Financial Aid

Over the ten-year analysis period, expenditures for university-funded financial aid have increased 71.2%, in contrast with a tuition and fee cumulative increase of 14.0%. As a percentage of tuition, aggregate financial aid has grown from 22.1% to a budgeted 33.2% during this same ten-year period.

The pressure to increase funding for financial aid comes from reduced support from government sources, as well as from the institution's attempt to use financial aid to recruit students for their academic ability, athletic talent, and ethnic and economic diversity. Financial aid awarded is a balance of merit- and need-based aid.

There is \$142.0 million in aggregate unrestricted financial aid in the FY 2026 operating budget.

FY 2016 - FY 2026 Unrestricted Operating Budget

Tuition & Fee Income/Percent of Total Revenue

(in thousands of dollars)

Year	Tuition* & Fees	Total Revenue	All Other Revenues	T&F % of Total	T&F % Change	10-Year % Change
FY 2016 Actual	\$378,743	\$418,237	\$39,494	90.6%	3.10%	
FY 2017 Actual	\$402,253	\$446,220	\$43,967	90.1%	6.21%	
FY 2018 Actual	\$420,181	\$465,098	\$44,917	90.3%	4.46%	
FY 2019 Actual	\$425,283	\$472,420	\$47,137	90.0%	1.21%	
FY 2020 Actual	\$436,333	\$476,237	\$39,904	91.6%	2.60%	
FY 2021 Actual	\$418,077	\$426,177	\$8,100	98.1%	-4.18%	
FY 2022 Actual	\$430,135	\$490,070	\$59,935	87.8%	2.88%	
FY 2023 Actual	\$439,175	\$499,049	\$59,874	88.0%	2.10%	
FY 2024 Actual	\$439,590	\$498,077	\$58,487	88.3%	0.09%	
FY 2025 Forecast	\$430,538	\$485,302	\$54,764	88.7%	-2.06%	
FY 2026 Budget	\$431,621	\$493,025	\$61,404	87.5%	0.25%	14.0%

FY 2016 - FY 2026 Unrestricted Operating Budget

Financial Aid/Percent of Tuition

(in thousands of dollars)

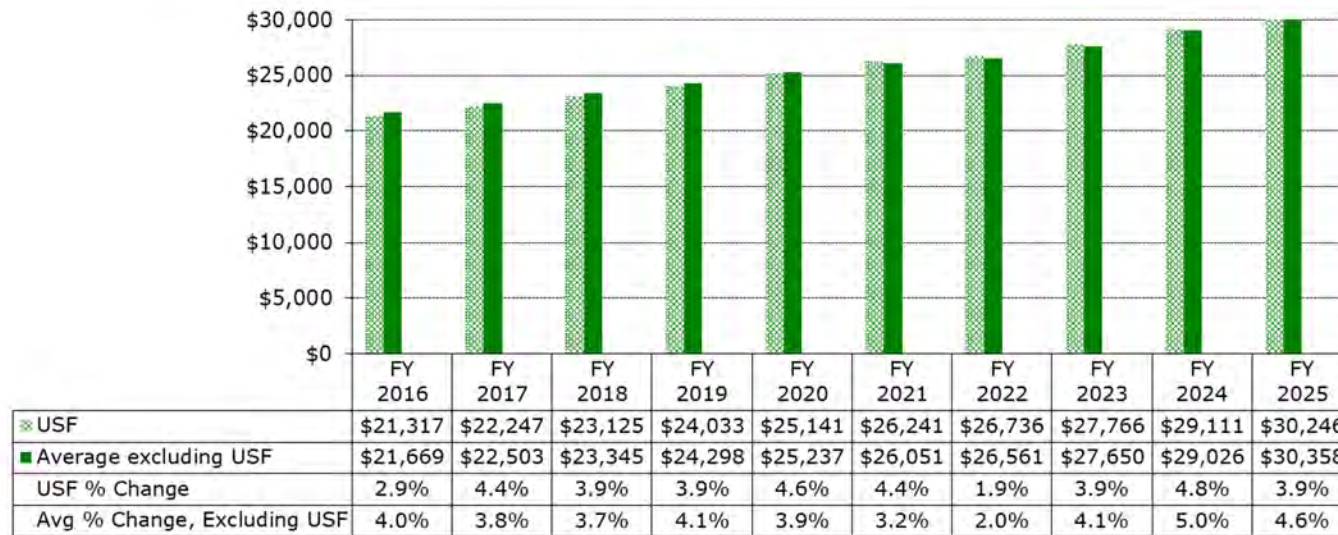
Year	Financial Aid	Tuition*	Net Tuition	FA % of Tuition	FA % Change	10-Year % Change
FY 2016 Actual	\$82,966	\$375,814	\$292,849	22.1%	10.6%	
FY 2017 Actual	\$93,447	\$398,673	\$305,226	23.4%	12.6%	
FY 2018 Actual	\$108,926	\$416,295	\$307,369	26.2%	16.6%	
FY 2019 Actual	\$116,394	\$421,587	\$305,192	27.6%	6.9%	
FY 2020 Actual	\$123,916	\$433,077	\$309,161	28.6%	6.5%	
FY 2021 Actual	\$115,281	\$415,447	\$300,167	27.7%	-7.0%	
FY 2022 Actual	\$126,208	\$427,234	\$301,026	29.5%	9.5%	
FY 2023 Actual	\$131,599	\$435,963	\$304,364	30.2%	4.3%	
FY 2024 Actual	\$136,528	\$436,417	\$299,890	31.3%	3.7%	
FY 2025 Forecast	\$134,258	\$427,009	\$292,751	31.4%	-1.7%	
FY 2026 Budget	\$142,040	\$427,976	\$285,936	33.2%	5.8%	71.2%

Tuition* = Tuition + Tuition Exceptions

Tuition and Fee Rates

Looking at the University's ten-year tuition and fee history, rates have increased within a range of 1.9% to 4.8% per year over the last ten years. USF tuition rate increases have generally been slightly below comparable universities. Consistent with private higher education trends, tuition rates have historically increased slightly above inflation rates. We are striving to maintain quality in our programs, while keeping our tuition charges at levels consistent with our cross-applicant competitor set of schools. There is strong political and social pressure to control the growth of higher education costs. The University is responding to this pressure by systematically reviewing new initiatives in the context of new and reallocated funds. Reacting to limited tuition rate increases has led to targeted efforts to reallocate budgets to meet emerging needs.

West Coast Conference Tuition & Fees per Semester Rate (FY2016 - FY2025)



The University competes with other schools for students, and prospective students pay attention to tuition and fee rates. The table below details the historical cost of undergraduate tuition and fees at our peer institutions, and the University's relative position in the list. Recommendations for tuition rates are prepared after examining the University's relative price position with comparable institutions, its projected enrollment, and the impact of alternative rate increases on the entire University operating budget. In our comparison of tuition and fees, the average undergraduate tuition and fees per semester for West Coast Conference colleges and universities increased by 4.6% in FY 2025. USF increased undergraduate tuition and fees by 3.9% in FY 2025.

Undergraduate Semester

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
WCC Schools										
Pepperdine University	\$24,171	\$25,011	\$25,996	\$26,966	\$27,946	\$29,001	\$29,851	\$31,321	\$33,245	\$34,835
Loyola Marymount University	\$21,806	\$22,642	\$23,261	\$24,329	\$25,417	\$26,489	\$26,763	\$28,139	\$29,683	\$31,386
Santa Clara University	\$22,798	\$23,704	\$24,769	\$25,693	\$26,643	\$26,652	\$27,930	\$28,767	\$29,768	\$30,849
USF	\$21,317	\$22,247	\$23,125	\$24,033	\$25,141	\$26,241	\$26,736	\$27,766	\$29,111	\$30,246
University of San Diego	\$22,293	\$23,070	\$23,861	\$24,679	\$25,593	\$26,432	\$26,432	\$27,277	\$28,222	\$29,743
University of Portland	\$20,125	\$21,007	\$22,013	\$22,952	\$23,909	\$24,932	\$24,932	\$25,906	\$27,450	\$29,050
Saint Mary's College	\$21,465	\$22,180	\$22,843	\$23,855	\$24,594	\$25,330	\$25,784	\$26,786	\$28,067	\$28,902
Gonzaga University	\$19,028	\$19,910	\$20,673	\$21,613	\$22,555	\$23,520	\$24,235	\$25,355	\$26,750	\$27,740
Average including USF	\$21,625	\$22,471	\$23,318	\$24,265	\$25,225	\$26,075	\$26,583	\$27,665	\$29,037	\$30,344
Average excluding USF	\$21,669	\$22,503	\$23,345	\$24,298	\$25,237	\$26,051	\$26,561	\$27,650	\$29,026	\$30,358
USF % Change	2.9%	4.4%	3.9%	3.9%	4.6%	4.4%	1.9%	3.9%	4.8%	3.9%
Avg % Change, Excluding USF	4.0%	3.8%	3.7%	4.1%	3.9%	3.2%	2.0%	4.1%	5.0%	4.6%

Five-Year Undergraduate Tuition and Fees Trend

Considering a broader set of peer institutions beyond WCC members, the FY 2025 average (excluding USF) annual undergraduate tuition and fees is \$61,161, and the average rate of increase over the past five years has been 3.8% per annum. The average annual USF increase over the past five years has been 3.8%. Over the entire five-year period, the average tuition and fee level (excluding USF) increased 20.2%, while USF's tuition and fees increased 20.3%.

WCC		School	2019~2020	2020~2021	2021~2022	2022~2023	2023~2024	2024~2025	% chg in 5 yrsB	Avg % chg per yrC
	CA	University of Southern California	58,645	61,453	61,911	65,176	68,687	72,097	22.9%	4.2%
X	CA	Pepperdine University	55,892	58,289	59,702	62,642	66,490	69,669	24.6%	4.5%
	NY	Fordham University	54,411	56,655	56,161	58,467	61,992	64,915	19.3%	3.6%
X	CA	Loyola Marymount University	50,833	53,621	53,526	56,277	59,365	62,771	23.5%	4.3%
X	Bay	Santa Clara University	53,285	54,057	55,860	57,534	59,536	61,698	15.8%	3.0%
X	Bay	USF	50,282	52,502	53,472	55,532	58,222	60,492	20.3%	3.8%
X	CA	University of San Diego	51,186	53,186	52,864	54,554	56,444	59,486	16.2%	3.1%
X	OR	University of Portland	47,818	50,724	49,864	51,812	54,900	58,100	21.5%	4.0%
X	Bay	Saint Mary's College	49,188	50,960	51,568	53,572	56,134	57,803	17.5%	3.3%
	WA	Seattle University	47,090	48,941	49,595	51,434	54,560	56,996	21.0%	3.9%
X	WA	Gonzaga University	45,110	47,160	48,470	50,710	53,500	55,480	23.0%	4.2%
	IL	Loyola University of Chicago	46,028	47,030	47,739	49,429	51,756	53,760	16.8%	3.2%
		Average	50,814	52,882	53,394	55,595	58,466	61,106	20.3%	3.8%
		Average excluding USF	50,862	52,916	53,387	55,601	58,488	61,161	20.2%	3.8%

Notes:

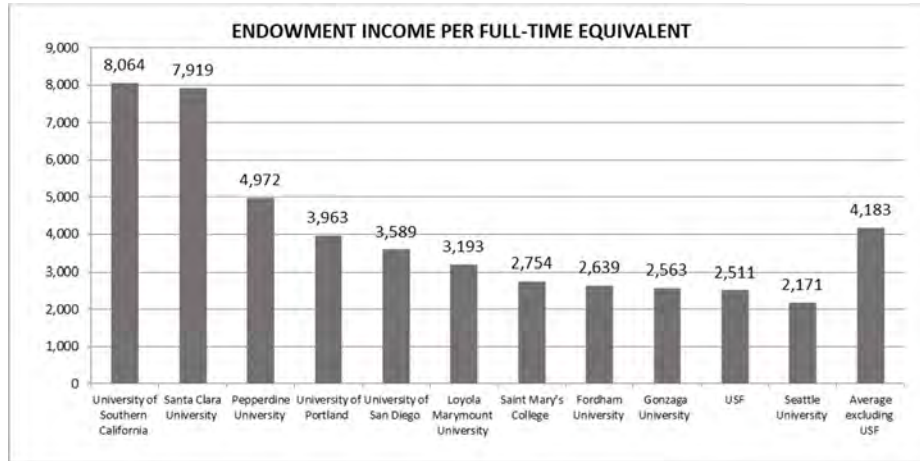
(A) Schools are sorted by 2024/2025 Tuition and Fees column.

(B) The '% change in 5 yrs' is the growth from FY20 to FY25.

(C) The 'Avg % change per yr' is an avg of the % changes from FY20 to FY25.

Endowment (FY 2023)

Among other forms of support, a healthy endowment provides a source of funding for university scholarships. In fiscal year 2023 (the latest available data), the average (excluding USF) endowment income (EI) per enrolled full-time equivalent (FTE) of the universities included in the comparison below was \$4,183. USF's EI/FTE is below this average at \$2,511.



			2023 Total	4.5% Endowment	2022-23 Full-	Total	Endowment Income
			Endowment	Income (EI)	time Equivalent	Endowment	(EI)/FTE
WCC	School		(TE) (1,000) 2	(EI) (1,000)	(FTE)3	(TE)/FTE	(EI)/FTE
	CA	University of Southern California	7,463,051	335,837	41,644	179,211	8,064
X	Bay	Santa Clara University	1,478,274	66,522	8,400	175,985	7,919
X	CA	Pepperdine University	1,169,132	52,611	10,582	110,483	4,972
X	OR	University of Portland	293,373	13,202	3,331	88,074	3,963
X	CA	University of San Diego	673,451	30,305	8,445	79,746	3,589
X	CA	Loyola Marymount University	653,686	29,416	9,214	70,945	3,193
X	Bay	Saint Mary's College	169,215	7,615	2,765	61,199	2,754
	NY	Fordham University	978,178	44,018	16,678	58,651	2,639
	WA	Gonzaga University	413,744	18,618	7,263	56,966	2,563
X	Bay	USF	521,653	23,474	9,349	55,798	2,511
	WA	Seattle University	297,799	13,401	6,172	48,250	2,171
	Average		1,282,869	57,729	11,258	89,573	4,031
	Average excluding USF		1,358,990	61,155	11,449	92,951	4,183

Compensation Expense

The Office of the Provost and the deans track the balance between full- and part-time faculty members; faculty teaching, research, and service workloads; and faculty-to-student ratios. The University is continually making a concerted effort to focus its personnel costs on areas that provide consistently high levels of academic excellence and service quality. In concert with institutional planning, and through the annual budgeting process, new and reallocated funds are directed towards these activities.

Benefits are shown in relation to University salary expense and total expense. USF charges benefits to departments based on salary expense.

FY 2016 - FY 2026 Unrestricted Operating Budget
Benefits Expense/Percent of Total Expense
(in thousands of dollars)

Year	Benefits	Salaries	Total Expense	Benefits			Salaries	
				% of Salaries	% of Total Expense	Annual % Change	10-year % Change	10-year % Change
FY 2016 Actual	\$57,935	\$168,247	\$418,237	34.4%	13.9%	6.6%		
FY 2017 Actual	\$60,366	\$174,210	\$446,220	34.7%	13.5%	4.2%		
FY 2018 Actual	\$61,674	\$177,955	\$465,098	34.7%	13.3%	2.2%		
FY 2019 Actual	\$60,461	\$174,828	\$472,110	34.6%	12.8%	-2.0%		
FY 2020 Actual	\$59,907	\$173,675	\$476,237	34.5%	12.6%	-0.9%		
FY 2021 Actual	\$56,897	\$163,350	\$426,177	34.8%	13.4%	-5.0%		
FY 2022 Actual	\$58,338	\$172,625	\$490,070	33.8%	11.9%	2.5%		
FY 2023 Actual	\$60,103	\$176,146	\$499,048	34.1%	12.0%	3.0%		
FY 2024 Actual	\$63,637	\$183,256	\$500,272	34.7%	12.7%	5.9%		
FY 2025 Forecast	\$64,067	\$184,519	\$494,054	34.7%	13.0%	0.7%		
FY 2026 Budget	\$67,390	\$195,161	\$493,025	34.5%	13.7%	5.2%	16.3%	16.0%

USF Five-Year Revenues & Expenses by Category

The following table is a summary of all University historical actual revenues, expenses, transfers and unrestricted Board budgets as organized by general categories. This analysis, and other budget-focused analyses, are available from the Office of Planning and Budget's web site at <http://myusf.usfca.edu/planning-budget/office-reports>.

YTD Activity	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Forecast	Budget
Tuition & Fees	(430,135)	(439,175)	(439,590)	(430,538)	(431,621)
Gifts	(1,661)	(1,501)	(873)	(873)	(1,502)
Auxiliary & Other Revenues	(58,274)	(58,372)	(57,614)	(53,891)	(59,902)
Revenue Total	(490,070)	(499,049)	(498,077)	(485,302)	(493,025)
Full-Time Faculty	60,825	60,884	62,443	63,878	66,664
Part-Time Faculty	21,250	21,397	21,433	20,249	23,523
Staff	84,315	86,919	92,531	93,059	96,946
Student Staff	6,235	6,946	6,849	7,333	8,028
Benefits	58,338	60,103	63,637	64,067	67,390
Gen Ops/Facilities/Capital	84,351	82,395	77,007	72,434	75,523
Financial Aid	126,208	131,599	136,528	134,258	142,040
Food Service	9,736	11,540	10,075	8,889	9,350
Debt & Other Expense	27,660	28,158	29,863	29,887	30,667
Reserves	0	0	0	0	9,414
Expense Total	478,918	489,940	500,367	494,054	529,545
Transfers (In)/Out	11,152	9,108	(95)	0	(36,520)
Grand Total	(0)	(1)	2,194	8,752	0

Note: Revenues and net transfers in are represented within parentheses. All figures are in thousands.