Proposed FY 2026 Operating Budget

OU NORMAN EXECUTIVE SUMMARY

This document presents the proposed FY26 (July 1, 2025 through June 30, 2026) operating budgets for:

The OU Norman budget presented on page 4 is the overall OU Norman Campus budget, including Norman programs at OU-Tulsa, the College of Law, and OGS. The proposed OU Norman expense budget totals $1.28 billion for FY 2026, an increase of $17M over FY 2025 projected actuals. The FY 2026 budget encompasses multiple initiatives related to the refresh of our *Lead On, University* Strategic Plan, with the goal of building on our existing strategic success and further enhancing our commitment to affordability and accessibility. Primary refresh initiatives include:

- **Maintaining Affordability and Access** through significant investments in need-based aid. Due to the increase in aid, the average annual net tuition and fee cost for in-state undergraduates has decreased by 26%, or $1,424, over the past five years. Students across all income brackets have benefited, with the largest savings among households with incomes below $60,000 and between $60,000 and $100,000;

- **Investing in Key Faculty** by approving 25 additional hires in targeted research areas, maintaining our progress to hire 150 new faculty since the beginning of the Strategic Plan in 2020;

- **Constructing Modern Facilities,** in partnership with the State, including a Teaching Lab for STEM programs, an Engineering building for instruction and research, and a South campus-based Engineering building for research, further cementing our place as a top-tier public research university;

- **Ensuring Long-Term Viability of our Existing Infrastructure** by investing an additional $3M in deferred maintenance, bringing our recurring annual investment to $25M, matching our initial Strategic Plan goal;

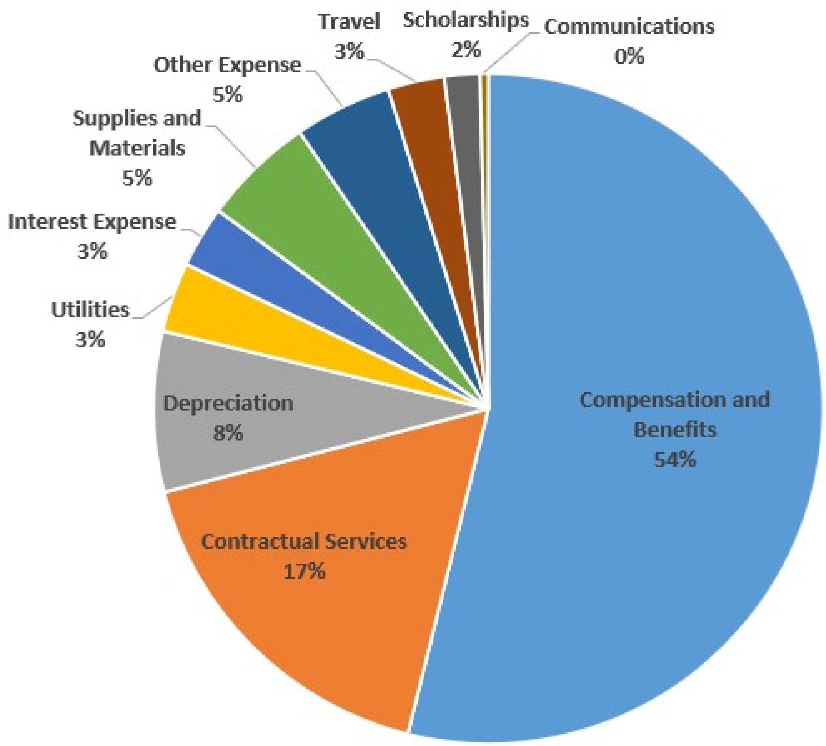
- **Enhancing Student Support** by $2M in additional funding for Career Services, Mental Health Services, and Student Experiences/Support across the refreshed Strategic Plan;

- **Providing Merit-Based Raises** to Faculty and Staff to attract and retain our talented workforce, at an average increase of 3%, and an approximate cost of $14M.

The following pages highlight key revenue and expense changes assumed in the FY 2026 budget. The Education and General (E&G) budget, primarily funded with student tuition and fees, state appropriations, internal charges, and OU Foundation reimbursements, totals approximately $706 million.

EXPENDITURE BUDGET BREAKDOWN

Figure 1: FY26 Budget Expenses by Natural Classification

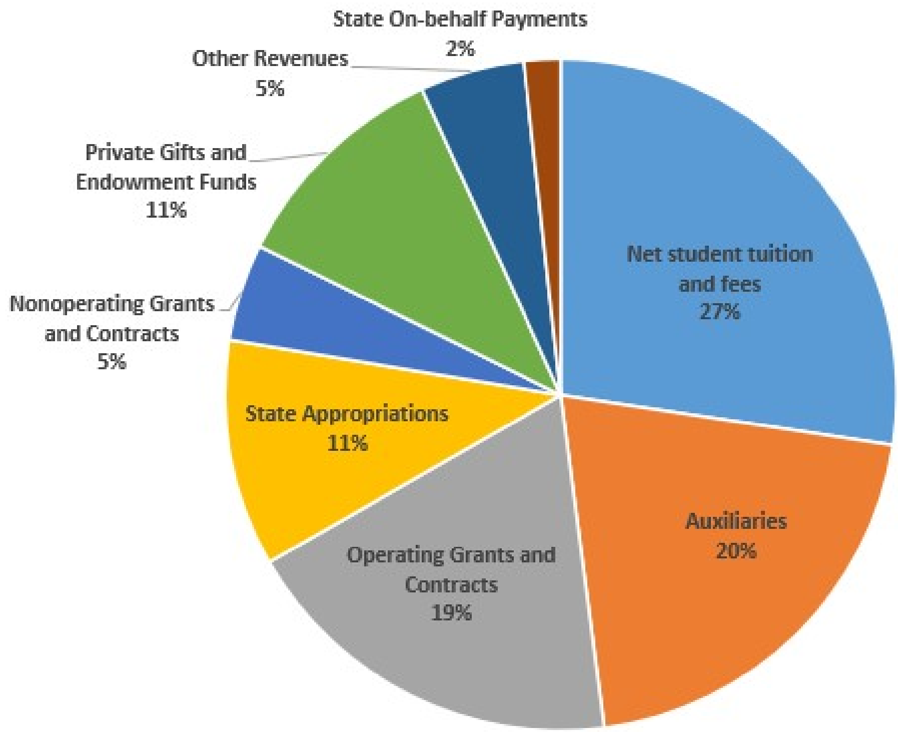


The proposed OU Norman expense budget totals $1.28 billion, which is an increase of $17M from FY25 projected actual expenditures. The change in expense is primarily due to:

- A merit raise for all benefits-eligible faculty, staff, and graduate assistants effective July 1 ($14M),
- Authorizing 25 strategic faculty hires related to the Strategic Plan ($6M) and associated faculty startup ($13M). These costs are expected to be incurred beginning in FY27,
- Additional recurring investments to address deferred maintenance across campus ($3M),
- Engaging students and the Norman community through a signature event series hosted on campus ($750k),
- Establishment of a Chief Artificial Intelligence Officer across all OU campuses to lead research and integration of AI tools that enhance academic and operational outcomes ($500k),
- Enhanced support for Student Affairs, with a focus on the growing needs of Greek life organizations ($360k),
- Increased funding to expand access for students with financial need to participate in global learning opportunities ($50k) .

REVENUE BUDGET BREAKDOWN

Figure 2: FY26 Budget Sources of Revenue by Major Area



The proposed OU Norman total revenue budget for FY26 is $1.5 billion, which is an increase of approximately $71M from FY25 projected actual revenue. The change in revenue is primarily due to:

- A proposed 3.0% tuition and fee rate increase for undergraduate and graduate students ($8M) and 5% tuition and fee rate increase for the College of Law ($0.9M),
- Growth in housing and food services revenues from a 3% rate increase and opening of the new McCasland Tower ($8M),
- Growth in OU Online graduate and adult degree completion revenue from enrollment increases and a proposed 3% rate increase ($2M),
- Increases in athletics conference distributions, ticket sales, and media revenue ($62M)

Revenue increases are offset by anticipated reductions in federal sponsored research activity, as well as private gift revenue declines due to one-time activity in FY25 ($13M) and a small reduction ($4M) in capital support from the State. Alternate budget scenarios have been built around uncertainty in federal research support, specifically reimbursement of facilities and administrative (F&A) costs. While the proposed budget contemplates F&A reimbursement at historic levels, the alternate scenarios ensure the university will maintain a balanced budget regardless of the F&A reimbursement outcome.

OU - Norman Campus
FY25 Projections and FY26 Proposed Budget
($ in thousands)

	FY 2025			FY 2026	
	Original Budget	YTD Actuals (Jul. - Mar.)	Projected Actuals Annualized	Proposed Budget	FY2026 Budget Comments/Assumptions
Operating Revenues					
Student tuition and fees (net of scholarship allowances)*	406,000	391,204	393,000	404,000	3% main campus tuition and fees ($8M), 5% Law tuition and fees (948K), OU Online ($2.3M)
Federal grants and contracts	177,000	120,732	161,000	153,000	5% reduction in federal grants to account for new award uncertainty
State grants and contracts	80,000	99,632	127,000	118,000	Slight reduction to account for new award uncertainty
Private grants and contracts	11,000	4,195	6,000	6,000	No significant revenue changes
Sales and services of auxiliary enterprises:					
Housing and food service revenues	84,000	77,607	93,000	101,000	Increases in Housing rates (3%), meal plan rates (3%), and opening of McCasland Hall
Net athletic revenues	106,000	73,666	103,000	165,000	Increased conference distributions ($46M), ticket sales ($3M), and misc./media revenue ($12.7M)
Other	38,000	27,485	37,000	37,000	No significant revenue changes
Other revenues	40,000	42,432	60,000	62,000	3% inflationary growth
Total operating revenues	942,000	836,953	980,000	1,046,000	
Operating Expenses					
Compensation and benefits	668,000	515,496	671,000	689,000	3% merit raise program ($14M), partially offset by grant-related adjustments (-$3M)
Contractual services	200,000	162,381	227,000	219,000	3% inflationary adjustment, offset by changes in research activity and OUES expenses
Supplies and materials	68,000	48,906	67,000	69,000	3% inflationary growth, plus change in research expenditure activity
Depreciation	91,000	73,338	98,000	99,000	Slight increase due to additions of McCasland Hall, Jacobson Hall project, and Athletics projects.
Utilities	45,000	30,857	42,000	43,000	Electrical rate increases, partially offset by ongoing efficiency efforts
Communications	6,000	4,158	5,000	5,000	3% inflationary growth, offset by change in research expenditure activity
Scholarships*	56,000	24,342	17,000	22,000	Additional athlete scholarships ($2.5M) and OSRHE funded College of Education tutoring scholarships ($2M)
Travel	33,000	23,123	34,000	35,000	3% inflationary growth
Other expense	65,000	43,857	61,000	60,000	Slight decrease due to research expenditure activity
Total operating expenses	1,232,000	926,458	1,222,000	1,241,000	
Operating loss	(290,000)	(89,505)	(242,000)	(195,000)	
Nonoperating Revenues and (Expenses)					
State appropriations	144,000	111,847	145,000	148,000	Additional funding for College of Education tutoring program ($3M)
State on-behalf payments	18,000	14,187	20,000	21,000	State OTRS contribution on behalf of OU, consistent with compensation trend
Federal grants and contracts	36,000	44,155	42,000	43,000	Slight increase in Pell Grants associated with enrollment growth.
State grants and contracts	20,000	21,241	24,000	26,000	Slight increase in state financial aid associated with enrollment growth
Private gifts	70,000	37,000	83,000	70,000	Estimated decrease associated with reduced drawdowns from OUF for Athletics
Interest on indebtedness	(40,000)	(34,390)	(40,000)	(38,000)	Decreased interest payments on existing issuances.
Investment income/loss	10,000	18,320	22,000	21,000	Return on Regents' Fund investments, with modest returns
Gain/(loss) on disposal of assets	-	(1,117)	(1,000)	(1,000)	Includes equipment disposal and demolition of Cate Center 3
Endowment income	24,000	25,562	37,000	37,000	OSRHE matching funds and reimbursements from endowed OUF funds
Net nonoperating revenues and (expenses)	282,000	236,805	332,000	327,000	
Income before other revenues, (expenses), gains, or (losses)	(8,000)	147,300	90,000	132,000	
Other Revenue, Expenses, Gains or Losses					
State appropriations for capital projects	-	13,500	18,000	13,000	Reduction of $5M in capital support for engineering
Private gifts for capital assets	19,600	12,658	16,000	33,000	Capital draws of donor funds for athletics projects
State school land funds	12,000	9,714	12,000	12,000	Draw of Section 13 funds from the Land Commission
On-behalf payments for OCIA capital leases	5,000	3,579	5,000	5,000	Consistent with prior year
Additions to permanent endowments	-	2,492	3,000	1,000	Includes $1M in estimated bequests associated with fundraising efforts
Total other revenue, (expenses), gains, or (losses)	36,600	41,943	54,000	64,000	
Change in Net Position	28,600	189,243	144,000	196,000	

* Reported Net Tuition and Fees and Scholarship Expense amounts for Projected FY25 and FY26 include the effect the new tuition and scholarship allowance guidance promulgated by NACUBO for FY25.

University of Oklahoma - Tulsa Campus (Norman Programs)
Proposed FY 2026 Operating Budget

	Actual FY 2024	Projected FY 2025	Budget FY 2026
Operating Revenues			
Student Tuition (net of waivers)	2,279,290	2,685,376	2,850,000
Student Fees	1,052,450	1,399,457	1,600,000
Research Centers	676,062	571,832	1,019,199
Other Revenues	88,486	119,504	577,118
Total operating revenues	4,096,288	4,776,169	6,046,317
Operating Expenses			
College of Architecture	245,643	317,924	91,330
College of Arts & Sciences	2,847,367	2,648,616	2,600,052
College of Business	59,174	73,295	75,318
College of Education	2,597,520	2,569,378	2,778,236
College of Engineering	1,110,339	860,264	673,506
Polytechnic Institute	1,770,373	2,725,667	4,787,997
Student Affairs	89,321	68,452	132,660
University Libraries	87,205	155,855	229,221
Administration[A]	2,361,191	2,135,666	2,504,855
Total operating expenses	11,168,133	11,555,116	13,873,175
Operating loss	(7,071,845)	(6,778,947)	(7,826,858)
Nonoperating Revenues and (Expenses)			
State Appropriations	3,625,660	3,625,660	3,625,660
Norman Campus Transfer	116,683	116,683	116,683
HSC/College of Medicine Transfer	400,000	400,000	400,000
Private Gifts	596,429	618,437	230,000
Endowment Income	451,595	972,909	685,393
Net nonoperating revenues	5,190,367	5,733,689	5,057,736
Change in Net Position[B]	**(1,881,478)**	**(1,045,258)**	**(2,769,122)**

[A] Administration includes the OU Tulsa areas of President, Provost, Marketing & Communications, and Access & Opportunity.

[B] FY24 actual and projected FY25 & FY26 deficits related to Polytechnic expansion. Funding will be covered from cash revenues allocated with the receipt of $10M in one time State support in FY23.

University of Oklahoma - Tulsa Campus
Operating Expense Budget

	College of Architecture	College of Arts & Sciences	College of Business	College of Education	College of Engineering	Polytechnic Institute	Student Affairs	University Libraries	Administration	Total FY26 Budget
Operating Expenses										
Compensation - Faculty	75,811	1,671,491	-	988,354	428,131	2,040,501	-	112,800	45,500	5,362,588
Fringe Benefits - Faculty	6,742	483,044	-	321,623	84,703	634,596	-	10,716	4,323	1,545,747
Compensation - Staff	-	237,166	57,451	863,841	45,509	376,261	-	-	1,018,672	2,598,900
Fringe Benefits - Staff	-	73,758	17,867	217,840	9,348	105,448	-	-	316,807	741,068
Communications	-	-	-	15,000	-	-	-	-	5,000	20,000
Contractual Services	-	21,600	-	20,000	-	-	-	-	2,500	44,100
Supplies and Materials	4,200	10,000	-	40,000	35,300	77,000	-	22,000	19,000	207,500
Travel	-	6,250	-	58,000	2,000	130,000	-	-	23,000	219,250
Utilities	1,600	16,000	-	16,000	15,000	10,000	-	-	13,040	71,640
Other	2,977	80,743	-	237,578	53,515	1,414,191	132,660	83,705	1,057,013	3,062,382
Total operating expenses	91,330	2,600,052	75,318	2,778,236	673,506	4,787,997	132,660	229,221	2,504,855	13,873,175

University of Oklahoma
College of Law
Proposed FY 2026 Operating Budget

	Actual FY 2024	Projected FY2025	Budget FY 2026
Operating Revenues			
Student Tuition (net of waivers)	15,536,993	15,211,728	14,872,813
Mandatory Student Fees	3,296,587	3,104,994	3,160,636
Program Specific Fees	201,489	116,698	98,720
Other	384,832	171,211	640,640
Total operating revenues	19,419,900	18,604,630	18,772,809
Operating Expenses			
Compensation - Faculty	8,204,098	8,067,031	8,147,876
Fringe Benefits - Faculty	2,073,398	1,987,864	2,249,067
Compensation - Staff	3,459,991	3,226,387	3,421,057
Fringe Benefits - Staff	960,950	861,300	892,212
Contractual Services	5,223,490	5,595,027	4,670,580
Supplies and Materials	697,004	611,898	623,313
Utilities	453,797	467,011	405,580
Communications	125,323	134,629	111,855
Scholarships	1,484,387	1,502,718	1,400,000
Travel	700,250	576,570	626,729
Other	2,349,047	1,821,130	2,100,480
Total operating expenses	25,731,736	24,851,565	24,648,749
Operating loss	(6,311,836)	(6,246,935)	(5,875,940)
Nonoperating Revenues and (Expenses)			
State Appropriations	5,081,232	5,160,979	5,160,920
Endowment Income	485,917	401,242	526,651
Private Gifts	1,688,881	1,685,714	1,485,669
Net nonoperating revenues and (expenses)	7,256,030	7,247,935	7,173,240
Change in Net Position	**944,194**	**1,001,000**	**1,297,300**

University of Oklahoma
Oklahoma Geological Survey
Proposed FY 2026 Operating Budget

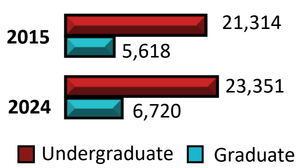
	Actual FY 2024	Projected FY2025	Budget FY 2026
Operating Revenues*			
Sponsored Research Initiative	24,445	25,996	28,000
Sales & Services	250,714	301,568	363,000
Total operating revenues	275,159	327,564	391,000
Operating Expenses			
Compensation - Faculty	862,220	912,919	1,147,863
Fringe Benefits - Faculty	265,407	258,805	339,718
Compensation - Staff	754,847	789,395	757,964
Fringe Benefits - Staff	229,271	220,822	228,014
Contractual Services	251,498	180,286	140,000
Supplies and Materials	28,758	37,270	65,000
Communications	83,232	89,757	85,000
Travel	47,960	43,242	92,500
Other	271,162	220,491	244,500
Total operating expenses	2,794,354	2,752,988	3,100,559
Operating loss	(2,519,195)	(2,425,423)	(2,709,559)
Nonoperating Revenues and (Expenses)			
State Appropriations	2,664,464	2,689,046	2,709,559
Net nonoperating revenues and (expenses)	2,664,464	2,689,046	2,709,559
Change in Net Position	**145,269**	**263,623**	**-**

*Above figures exclude grant revenue and related expenses. FY24 grant revenue and expense totaled $646,785

The UNIVERSITY *of* OKLAHOMA
2025-2026 HIGHLIGHTS

STUDENTS

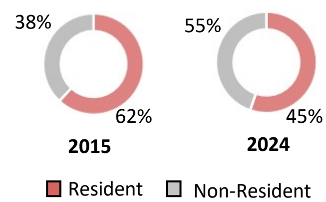
Fall Enrollment



From 2015 to 2024, total enrollment grew **nearly 12%** with Graduate enrollments growing **19.6%** and Undergraduate enrollments growing **9.6%.**

Residency Status

As our student body grows, so does the percentage of students who come from outside Oklahoma. While the overall number of resident students has increased over the last 10 years, nonresidents have grown at a faster rate.



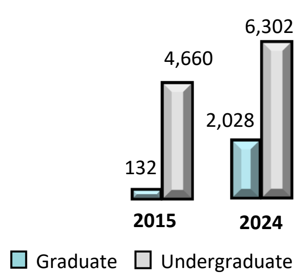
Degrees Awarded

	2018-2019	2023-2024
Bachelor	4,542	4,618
Master	1,288	1,923
Doctorate	398	401
TOTAL	**6,228**	**6,942**

The number of degrees conferred rose over the last five years, with a **49%** increase in the number of Master's degrees, and an **11.5%** increase in degrees overall.

First Generation Fall Enrollments

OU's investment in enhancing educational access is evident in its first-generation enrollments, with Fall 2015 to Fall 2024 growth in Undergraduates of **35%** and Graduate students more than **1400%**.



FINANCIAL AID

Financial Aid Recipients & Awards

Resident Freshmen	FY 2020	FY 2025
% Receiving any Aid	85%	99%
Avg. Annual Financial Award	$6,976	$9,869
Avg. Annual Net Tuition & Fee Cost	$5,400	$3,976

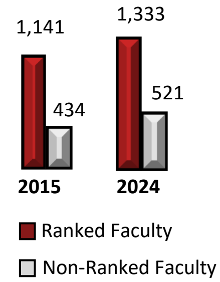
Average resident annual net tuition and fee costs after waivers, scholarships, and grants, has declined since 2020, saving students $1,424 per year (**26%**) for resident freshmen.

Student Debt

56% of OU students graduate without debt, compared to **52%** for large R1 public universities and **63%** for public AAU universities.

FACULTY & STAFF

Full-Time Faculty



Full-time **Ranked Faculty** (Full, Assoc. and Asst. Professors) and **Non-Ranked Faculty** (Instructors, Lecturers, Researchers) grew **17.7%** from Fall 2015 to Fall 2024.

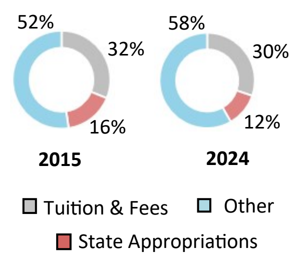
Staff Headcount

Full-time staff counts decreased by **2.6%** from 2015 to 2024, while part-time staff counts increased by **48.1%**.

	Fall 2015	Fall 2024
FT Staff	4,145	4,038
PT Staff	950	1,407

FUNDING

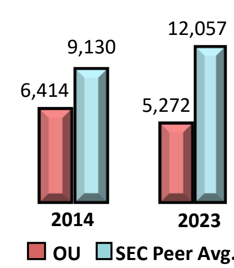
Revenue Summary



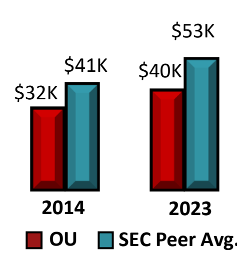
OU's total revenue increased from **$892 million** in FY15 to **$1.3 billion** in FY24, with the portion of revenue derived from state appropriations decreasing from 16% to 12% during that time.

State Appropriation per Student FTE

While OU's state appropriation per student FTE decreased **17.8%** between FY 2014 and FY 2023, the public SEC average rose **23.2%**. At the SEC average, OU would receive an additional **$150M** in appropriations.



Total Revenue per Student FTE



OU's total revenue per student FTE grew **25.2%** between FY 2014 and FY 2023, while public SEC peers grew by **29.7%**.

OU - Norman Campus
Revenue/Expense Account Terminology

Income Statement item	Description
Operating Revenues	
Student tuition and fees (net of scholarship allowances)	Used for reporting revenues from all student tuition and fee charges, net of discounts and allowances. Excludes charges for room and board, parking, and other auxiliary enterprises. Certain federal grants (e.g., Pell) used to pay for tuition are actually categorized as nonoperating grants, not tuition, as they are considered nonexchange transactions under Government Accounting Standards Board Statement No.33, *Accounting and Financial Reporting for Nonexchange Transactions* .
Federal grants and contracts, operating	Used for reporting revenues from federal governmental agencies (e.g., NASA, NSF, DHHS, etc.) that are for specific research projects or other types of programs that have characteristics of exchange transactions. Examples are research projects and similar activities for which amounts are received or expenditures are reimbursable under the terms of a grant or contract. Does not include Pell grants or other federal student aid.
State grants and contracts, operating	Used for reporting revenues from state governmental agencies (e.g., OK Dept. of Health, OK Dept. of Education, OCAST, OK DHS, etc.) that are for specific research projects or other types of programs that have characteristics of exchange transactions. Examples are research projects and similar activities for which amounts are received or expenditures are reimbursable under the terms of a grant or contract.
Private grants and contracts, operating	Used for reporting revenues from nongovernmental agencies (e.g., WeatherNews, Devon, Boeing, etc.) and organizations that are for specific research projects or other types of programs and that have characteristics of exchange transactions. Examples are research projects and similar activities for which amounts are received or expenditures are reimbursable under the terms of a grant or contract.
Sales and services of auxiliary enterprises	Used for reporting revenues (net of discounts and allowances) generated by auxiliary enterprises that exist to furnish a service to students, faculty, staff, or third parties and that charge a fee that is directly related to the cost of the service. Includes housing and food, student health services, athletics, parking services, OU Press, Student Media, Max Westheimer Airport, rental property income and Fitness and Recreation.
Other revenues	Used for reporting revenues from deposits from external sources for items such as conference registrations, ticket sales, museum sales, space rental, gift shops, special projects, advertising, non-student fees, etc.

OU - Norman Campus
Revenue/Expense Account Terminology

Operating Expenses	
Compensation and benefits	Used for reporting salaries, wages, and benefits for faculty, staff, and student workers. Includes non-cash items such as expense related to the pension (OTRS) liability, post-retiree health plan (OPEB), and on-behalf payments from the state for pension (OTRS) contributions (see state on-behalf payments discussed in Nonoperating Revenues and Expenses).
Contractual services	Used for reporting expenditures for grant and contract subrecipient payments, rent of equipment, software, space or other rents, maintenance and repair, business support services, advertising, computing and related services.
Supplies and materials	Used for reporting expenditures such as office supplies, lab supplies, athletic equipment, uniforms, cost of sales/goods sold, maintenance and cleaning supplies.
Depreciation	Used for reporting the allocation of capitalized cost over a depreciable asset's useful life.
Utilities	Used for reporting the cost of utilities, including electric, gas, water, sewer, etc.
Communication	Used for reporting expenditures for phone service, internet service and postage.
Scholarships	Used for reporting the excess of student aid over tuition and fees and room and board. Work Study aid is reported as compensation and benefits.
Travel	Used for reporting the cost of travel.
Other Expense	Used for reporting expenses such as non-capitalized equipment, insurance, fees, freight/shipping and participant expenses.

Nonoperating Revenues and Expenses	
State appropriations	Used for reporting state appropriations and other funding from State Regents (e.g., concurrent enrollment, National Guard).
State on-behalf payments	Used for reporting the State of Oklahoma's contribution from sales, use, and individual income taxes to the Teachers' Retirement System (OTRS) on-behalf of OU employees. Amounts recorded here are also reported as compensation and benefits expense.
Federal grants, nonoperating	Used for reporting scholarships from Pell Grants, Supplemental Educational Opportunity Grant (SEOG), and Teach grants. Receipt of funding from students receiving Pell Grants is reported in this line-item, not tuition.

OU - Norman Campus

Revenue/Expense Account Terminology

State grants, nonoperating	Used for reporting funding for scholarships from Oklahoma's Promise, Oklahoma Academic Scholars Program, Oklahoma Tuition Aid Grant (TAG) and other state programs.
Private gifts	Used for reporting non-capital contributions to the university. Examples include draws from OU Foundation funds to the university or cash donations made directly to the university.
Interest on indebtedness	Used for reporting interest expense on bonds and capital leases. Bond premiums and discounts are amortized to interest expense over the life of the bonds using the straight-line method, which is not materially different from the effective interest method.
Investment income	Used for reporting interest from cash invested in the Oklahoma State Treasurer's internal investment pool, OK INVEST, Regents' Fund income distribution, appreciation/depreciation, oil and gas royalties, and interest on special retirement plans.
Endowment income	Used for reporting earnings from endowments held at the Oklahoma State Regents (endowed chair match program) and Regents' Fund endowments managed by the OU Foundation.
Other Revenue, Expenses, Gains, or Losses	
State appropriations for capital projects	Used for reporting appropriations from the state specifically designated for capital purposes.
Private gifts for capital assets	Used for reporting contributions of capital assets or contributions used to acquire capital assets. Examples include draws from the OU Foundation to pay for capital projects or donations of property or equipment directly to the university.
State school land funds	Used for reporting income associated with the university's interest in "Section Thirteen State Educational Institutions Fund" and the "New College Fund" held in care of the Commissioners of the Land Office (CLO) as trustees. Common education and other public universities also receive this distribution.
On-behalf payments for OCIA capital leases	Used for reporting state support provided on-behalf of the university to pay principal and interest associated with capital leases. The Oklahoma Capitol Improvement Authority (OCIA) periodically issues bonds, which are allocated to the State Regents, to be used for specific projects at Oklahoma higher education institutions. The university has participated in these projects (the last being in 2014) recognizing a liability and capital asset. Annually, principal and interest costs are covered by appropriations made by the State Legislature to the State Regents.
Gain (loss) on sale of fixed asset	Used for reporting the difference between proceeds received from the disposal of a fixed asset and its carrying value. When proceeds exceed the carrying value a gain is recorded. When carrying value exceeds proceeds a loss is recorded.
Additions to Permanent Endowments	Used for funds that are donated to the University and held by the OU Foundation, and are directed to the corpus of one or more endowed funds.