

Fiscal Year 2026-2027 Proposed Budget Overview

Board Meeting

August 25, 2026



Policies/Procedures

- Board Policy Manual - Annual Operating Budget
 - Legal (Section CC – Legal Framework):
 - Provides required info regarding preparation of operating budgets (19 TAC 13.45)
 - Board to approve itemized operating budget by 9/1 and to furnish electronic/paper copies to the Coordinating Board, Legislative Budget Board, the Governor's Office of Budget and Policy, and the Legislative Reference Library by 12/1 (Education Code 51.0051; 19 TAC 13.42(a), .43)
 - Include tax rate calculation forms in the budget as appendix (Tax Code 26.04(e-5))
 - Budget to be published on website (Tax Code 26.18)
 - Local (Section CC – Local Policy):
 - Describes how budget ties in with the District's programs and activities
 - The Board may amend the budget during the fiscal year

FY 2026-27 Budget Overview Summary

Estimated Budget Data as of 8/11/26

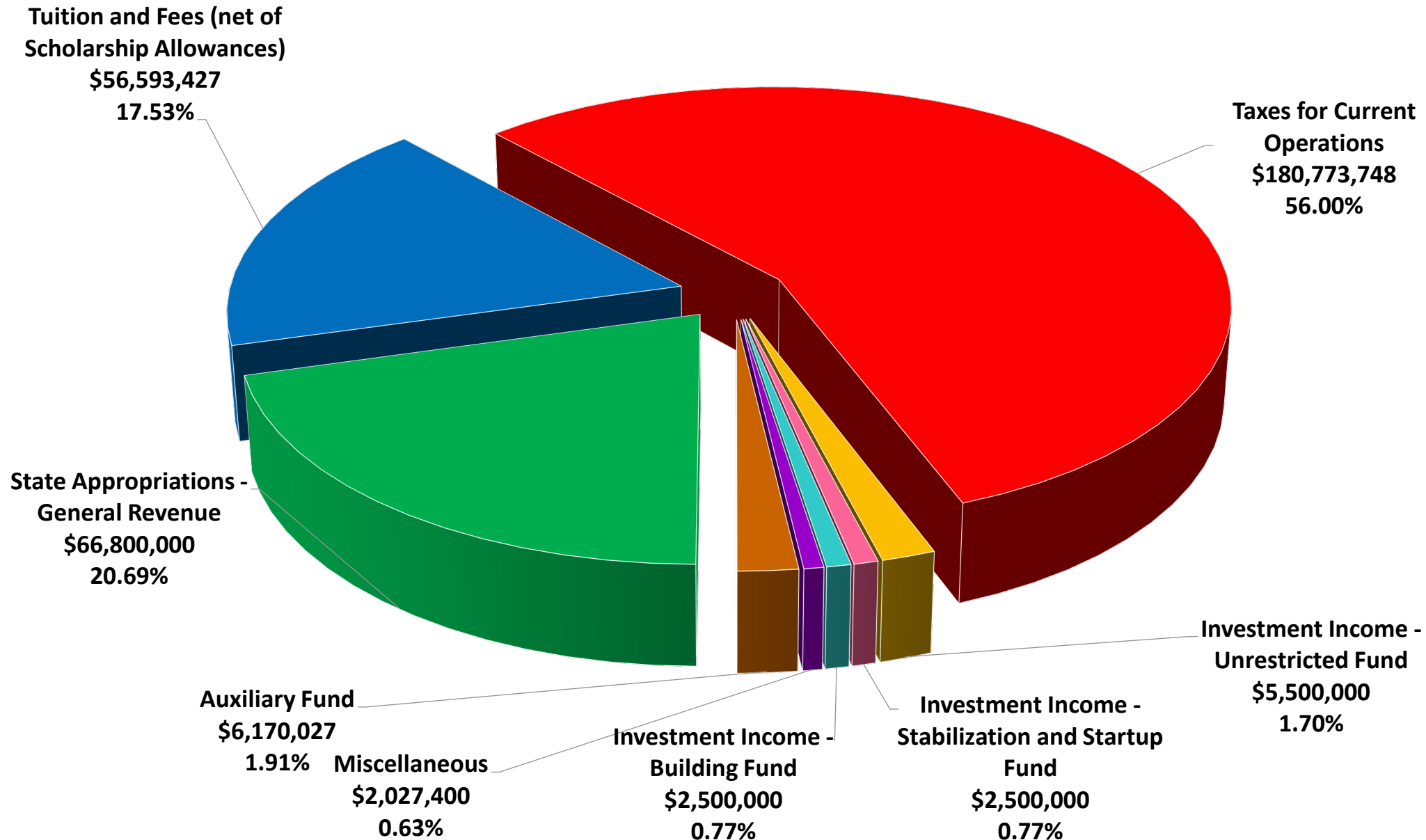
	<u>2026-27 Budget</u>	<u>2025-26 Budget</u>	<u>Increase/ Decrease</u>	<u>Percent Change</u>
Revenues				
Unrestricted Funds	\$ 322,864,602	\$ 317,792,224	\$ 5,072,378	1.60%
Restricted Funds	93,101,795	76,877,376	16,224,419	21.10%
Transfers	39,452,913	39,591,267	(138,354)	-0.35%
Total Revenues	<u>\$ 455,419,310</u>	<u>\$ 434,260,867</u>	<u>\$ 21,158,443</u>	4.87%
Expenses				
Unrestricted Funds	335,228,227	289,503,759	45,724,468	15.79%
Restricted Funds	174,609,267	240,482,573	(65,873,306)	-27.39%
Transfers	39,452,913	39,591,267	(138,354)	-0.35%
Other Adjustments	(88,424,947)	(132,133,514)	43,708,567	-33.08%
Grand Total Expenses	<u>\$ 460,865,460</u>	<u>\$ 437,444,085</u>	<u>\$ 23,421,375</u>	5.35%
Change in Net Position	<u>\$ (5,446,150)</u>	<u>\$ (3,183,218)</u>	<u>\$ (2,262,932)</u>	71.09%

FY 2026-27 Revenue Budget Overview

Estimated Budget Data as of 8/11/26

	<u>2026-27 Budget</u>	<u>2025-26 Budget</u>	<u>Increase/ Decrease</u>	<u>Percent Change</u>
Revenues				
Unrestricted Funds				
State Appropriations - General Revenue	\$ 66,800,000	\$ 65,520,000	\$ 1,280,000	1.95%
Tuition and Fees	77,593,427	73,517,066	4,076,361	5.54%
Scholarship Allowances	(21,000,000)	(17,500,000)	(3,500,000)	20.00%
Taxes for Current Operations	180,773,748	173,774,180	6,999,568	4.03%
Investment Income - Unrestricted Fund	5,500,000	6,000,000	(500,000)	-8.33%
Investment Income - Stabilization and Startup Fund	2,500,000	3,000,000	(500,000)	-16.67%
Investment Income - Building Fund	2,500,000	6,000,000	(3,500,000)	-58.33%
Miscellaneous	2,027,400	2,099,451	(72,051)	-3.43%
Auxiliary Fund	6,170,027	5,381,527	788,500	14.65%
Total Unrestricted Funds	<u>322,864,602</u>	<u>317,792,224</u>	<u>5,072,378</u>	<u>1.60%</u>
Restricted Funds				
Grants and Contracts	60,144,822	43,376,779	16,768,043	38.66%
State Allocation - On-behalf Benefits	15,276,374	14,002,850	1,273,524	9.09%
Investment Income & Tax Revenue - 2018/2020 GO Bonds	15,680,599	15,497,747	182,852	1.18%
Investment Income & Bond Proceeds - 2024 Revenue Bond	2,000,000	4,000,000	(2,000,000)	-50.00%
Total Restricted Funds	<u>93,101,795</u>	<u>76,877,376</u>	<u>16,224,419</u>	<u>21.10%</u>
Transfers				
Transfer in - Unrestricted (SAFAC) to Auxiliary Fund	600,000	550,000	50,000	9.09%
Transfer in - Unrestricted to Debt Service Fund - 2018/2020 GO Bonds	25,267,807	25,455,409	(187,602)	-0.74%
Transfer in - Unrestricted to Debt Service Fund - 2024 Revenue Bond	13,585,106	13,585,858	(752)	-0.01%
Total Transfers	<u>39,452,913</u>	<u>39,591,267</u>	<u>(138,354)</u>	<u>-0.35%</u>
Total Revenues	<u>\$ 455,419,310</u>	<u>\$ 434,260,867</u>	<u>\$ 21,158,443</u>	<u>4.87%</u>

FY 2026-27 Budget - Unrestricted Revenue by Major Source





Proposed 2026-27 Budget Highlights – REVENUE

- **State Appropriations**
 - \$66.8 million – \$1.3 M increase of 2%
 - Continued monitoring of House Bill 8 funding mechanisms
- **Tuition and Fees**
 - \$4.1 million increase – 5.5%
 - Projecting 5% increase student credit hours
 - No increase in Tuition rates for Fall 2026 - \$65/\$125/\$200 (does not include student activity fee of \$2)
- **Property Taxes - Unrestricted**
 - \$7 million increase – 4%
 - Using the same rate as FY26 - \$0.08122
- **Investment Interest - Unrestricted**
 - \$4.5 million decrease – 30% (lower interest rates and spending of 2024 Revenue Bond Funds that have been invested)

FY 2026-27 Expense Budget Overview

Estimated Budget Data as of 8/11/26

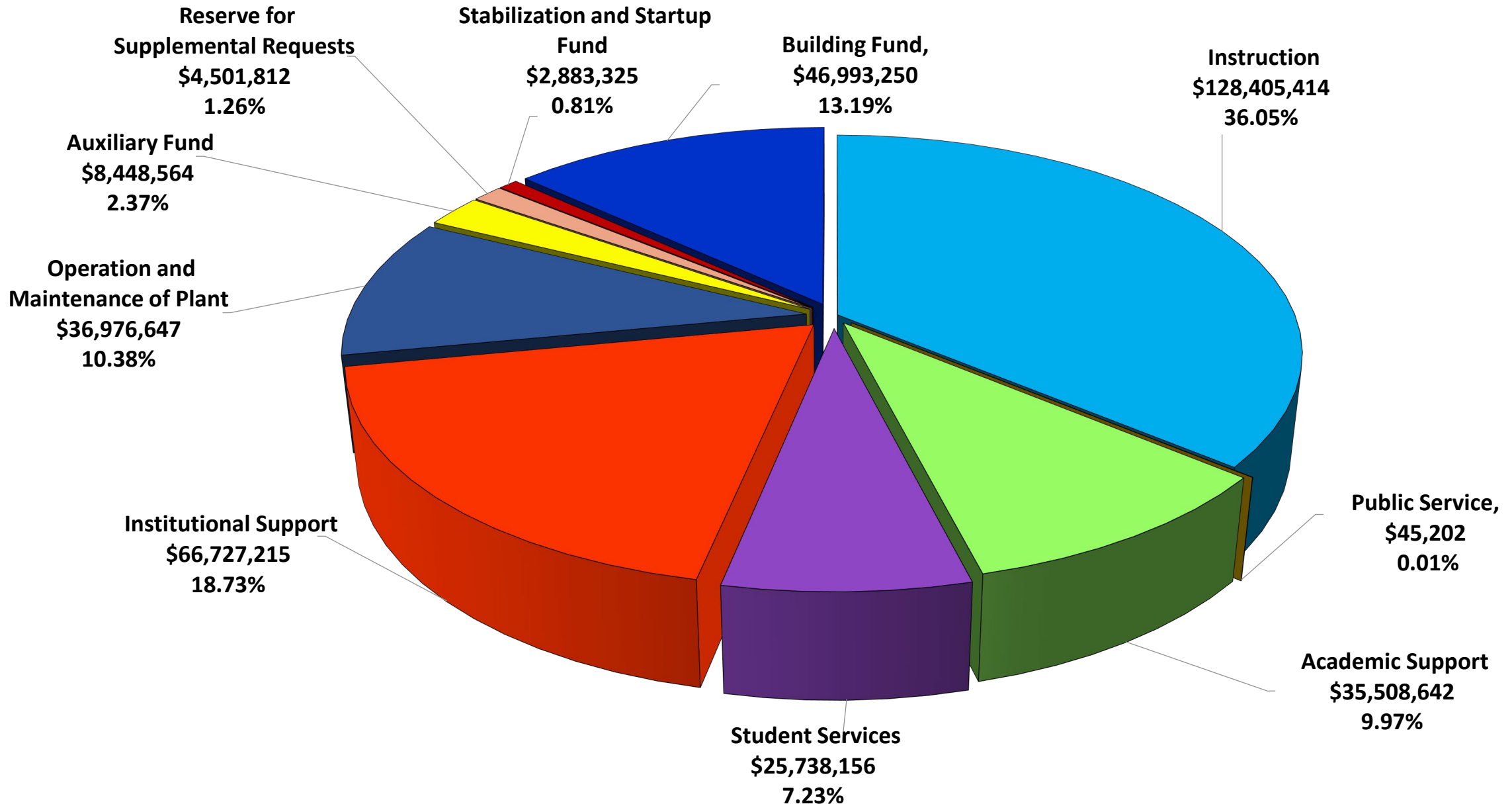
	2026-27 Budget	2025-26 Budget	Increase/ Decrease	Percent Change
Expenses				
Unrestricted Funds				
Instruction	\$ 128,405,414	\$ 124,504,804	\$ 3,900,610	3.13%
Public Service	45,202	114,419	(69,217)	-60.49%
Academic Support	35,508,642	33,891,712	1,616,930	4.77%
Student Services	25,738,156	25,056,785	681,371	2.72%
Institutional Support	66,727,215	65,664,186	1,063,029	1.62%
Operation and Maintenance of Plant	36,976,647	41,566,214	(4,589,567)	-11.04%
Scholarship Allowances	(21,000,000)	(17,500,000)	(3,500,000)	20.00%
Auxiliary Fund	8,448,564	8,080,401	368,163	4.56%
Reserve for Supplemental Requests - Unrestricted Fund	4,033,285	5,340,238	(1,306,953)	-24.47%
Reserve for Supplemental Requests - Auxiliary Fund	468,527	85,000	383,527	451.21%
Stabilization and Startup Fund	2,883,325	2,700,000	183,325	6.79%
Building Fund	46,993,250	-	46,993,250	100.00%
Total Unrestricted Funds	335,228,227	289,503,759	45,724,468	15.79%
Restricted Funds				
Grants and Contracts	60,144,822	43,376,779	16,768,043	38.66%
State Allocation - On-behalf Benefits	15,276,374	14,002,850	1,273,524	9.09%
Debt Service - 2018/2020 GO Bonds - Principal/Interest	40,948,406	40,953,156	(4,750)	-0.01%
2020 GO Bond - Capital Project Expenses	-	54,764,900	(54,764,900)	-100.00%
Debt Service - 2024 Revenue Bond - Principal/Interest	13,585,106	13,585,858	(752)	-0.01%
2024 Revenue Bond - Bond Issuance & Capital Project Expenses	44,654,559	73,799,030	(29,144,471)	-39.49%
Total Restricted Funds	174,609,267	240,482,573	(65,873,306)	-27.39%

FY 2026-27 Expense Budget Overview

Estimated Budget Data as of 8/11/26

	2026-27 Budget	2025-26 Budget	Increase/ Decrease	Percent Change
Expenses				
Transfers				
Transfer out - Unrestricted (SAFAC) to Auxiliary Fund	600,000	550,000	50,000	9.09%
Transfer out - Unrestricted to Debt Service Fund - 2018/2020 GO Bonds	25,267,807	25,455,409	(187,602)	-0.74%
Transfer out - Unrestricted to Debt Service Fund - 2024 Revenue Bond	13,585,106	13,585,858	(752)	-0.01%
Total Transfers	39,452,913	39,591,267	(138,354)	-0.35%
Subtotal Expenses	549,290,407	569,577,599	(20,287,192)	-3.56%
Other Adjustments				
Depreciation and Amortization	37,857,030	31,720,583	6,136,447	19.35%
Bond Principal - 2018/2020 GO Bonds	(23,825,000)	(22,695,000)	(1,130,000)	4.98%
Bond Principal - 2024 Revenue Bond	(5,580,000)	(5,315,000)	(265,000)	4.99%
Capitalized Expenses - Unrestricted Funds	(3,939,091)	(5,812,245)	1,873,154	-32.23%
Capitalized Expenses - Supplemental Requests	(1,290,077)	(1,467,922)	177,845	-12.12%
Capitalized Expenses - Building Fund Expenses	(46,993,250)	-	(46,993,250)	100.00%
Capitalized Expenses - 2020 GO Bond	-	(54,764,900)	54,764,900	-100.00%
Capitalized Expenses - 2024 Revenue Bond	(44,654,559)	(73,799,030)	29,144,471	-39.49%
Total Other Adjustments	(88,424,947)	(132,133,514)	43,708,567	-33.08%
Grand Total Expenses	\$ 460,865,460	\$ 437,444,085	\$ 23,421,375	5.35%
Change in Net Position	\$ (5,446,150)	\$ (3,183,218)	\$ (2,262,932)	71.09%

FY 2026-27 Budget - Unrestricted Expense by Function



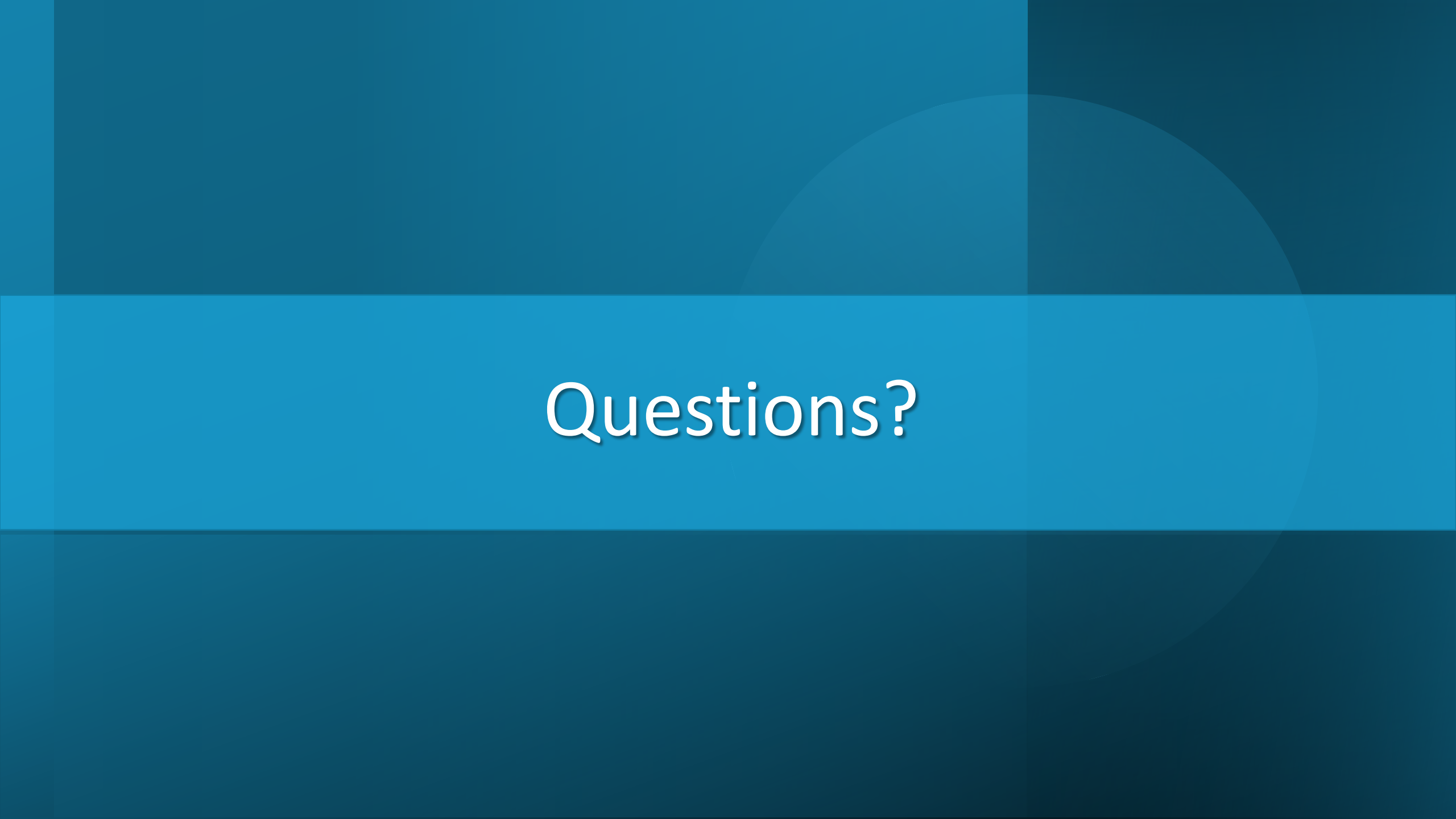


2026-27 Current Budget Cost Drivers – EXPENSES

- \$47M budget for Building Fund Projects
- \$44.7M for Revenue Bond Projects
- \$2.9M for Startup – Frisco Health Sci Building and Wylie CTE
- 4% GPI increase for full-time faculty, staff, administration, part-time staff
- 8% increase in medical premiums
- Faculty Rank Stipends \$2M & \$1M for Merit Bonus Program for Staff
- \$6.6M decrease in Reserve budgets
- \$4.2M cut in Operating budgets
- 19% increase in Depreciation Expense

FY27 Construction Projects

Project	Funding Source	FY27 Project Expenses
Plano Campus	2024 Revenue Bond Fund	\$10,665,222
Frisco Land/Building (The Ridge)	Building Fund	\$23,200,000
Wylie CTE Building	Building Fund	\$19,300,000
	2024 Revenue Bond Fund	\$21,870,078
Frisco Health Science Building	2024 Revenue Bond Fund	\$12,119,259
McKinney Const Mgt Building	Building Fund	\$4,493,250

The background consists of a grid of blue squares in two shades, with a large, light blue semi-circle on the right side. A horizontal band of a medium blue color spans the width of the image, serving as a backdrop for the text.

Questions?