

FY2026 Annual Budget

Presentation to the
Finance, Facilities, and Administration Committee

August 21, 2025

University of Houston System

FY2026 Budget Landscape

- UH Victoria transfer
- State funding
- Tuition and academic fee rates frozen
- Enrollment
- Changing federal landscape
- Changing Intercollegiate Athletics landscape
- Retaining top talent
- Cap-Ex spending

University of Houston System

FY2026 Operating and Capital Budget

(\$ in Millions)

		2026 Proposed	2025 Budgeted	\$ Chng	% Chng
University of Houston	Operating	1,808.8	1,544.4	264.4	17.1
	Capital	<u>470.6</u>	<u>254.0</u>	<u>216.6</u>	<u>85.3</u>
	Total University of Houston	2,279.4	1,798.4	481.0	26.7
UH Clear Lake	Operating	162.9	179.4	-16.5	-9.2
	Capital	<u>50.3</u>	<u>26.0</u>	<u>24.3</u>	<u>93.4</u>
	Total UH Clear Lake	213.2	205.4	7.9	3.8
UH Downtown	Operating	246.9	232.0	14.9	6.4
	Capital	<u>12.4</u>	<u>2.2</u>	<u>10.2</u>	<u>466.9</u>
	Total UH Downtown	259.3	234.2	25.1	10.7
UH System Admin.	Operating	84.7	74.5	10.2	13.7
	Capital	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	Total UH System Admin.	84.7	74.5	10.2	13.7
UH System	Operating	2,303.3	2,030.3	273.0	13.4
	Capital	<u>533.3</u>	<u>282.2</u>	<u>251.1</u>	<u>89.0</u>
	Total UH System	2,836.6	2,312.5	524.1	22.7

FY2025 data excludes the University of Houston Victoria for comparison purposes.

University of Houston System

Budgeted Operating Revenue by University

(\$ in Millions)

	UH	UHCL	UHD	UHSA	FY26 Total	FY25 Total	\$ Chng	% Chng
State Approp.	361.7	43.2	41.9	70.5	517.3	438.8	78.5	17.9
Higher Ed Funds	76.5	10.0	14.1	0.0	100.6	75.2	25.4	33.8
Tuition/Fees	591.1	68.5	108.6	0.0	768.2	755.2	13.0	1.7
Other Operating	297.7	17.8	12.9	11.5	339.9	302.7	37.2	12.3
Contracts/Grants	395.3	21.8	64.5	0.0	481.6	369.2	112.4	30.4
Endowment/Gift	<u>86.5</u>	<u>1.6</u>	<u>4.9</u>	<u>2.7</u>	<u>95.7</u>	<u>89.2</u>	<u>6.5</u>	<u>7.3</u>
Total	1,808.8	162.9	246.9	84.7	2,303.3	2,030.3	273.0	13.4

- \$145.6M TRIP funding is appropriated to the THECB who provides the money to UH, which is why it is categorized as a contract/grant revenue source instead of a state appropriation. Contracts/grants category also includes an assumed \$39.3M reduction in federally sponsored research.
- FY2025 data excludes the University of Houston Victoria for comparison purposes.

University of Houston System

Summary of Increased State Appropriations

(\$ in Millions)

Item	Amount
Formula Funding	17.4
TUF	15.6
COM Support – expand class size	15.0
Katy Expansion	10.0
Research & Medical Center - RGV	15.0
Benefits	4.2
Crime Data Center	1.3
Total	78.5

University of Houston System

Budgeted Operating Expenditures by University

(\$ in Millions)

	UH	UHCL	UHD	UHSA	FY26 Total	FY25 Total	\$ Chng	% Chng
Salaries	703.5	72.1	93.1	19.0	887.7	853.7	34.0	4.0
Benefits	153.6	16.8	28.3	2.8	201.6	190.8	10.8	5.6
Maint. & Ops.	585.0	38.6	46.3	3.9	673.8	461.0	212.8	46.2
Debt Service	92.8	6.0	5.4	57.4	161.6	153.8	7.7	5.1
Utilities	28.5	2.2	2.3	0.1	33.1	31.7	1.5	4.4
Scholarships	<u>245.4</u>	<u>27.2</u>	<u>71.5</u>	<u>1.5</u>	<u>345.5</u>	<u>339.3</u>	<u>6.2</u>	<u>1.9</u>
Total	1,808.8	162.9	246.9	84.7	2,303.3	2,030.3	273.0	13.4

- Maint. & Ops. includes general operating, travel, non-construction capital expenditures. For FY2026, M&O also includes \$145.6M one-time TRIP funding which will support programmatic elements of the research enterprise. These expenditures generally will be recorded as M&O expenditures.
- FY2025 data excludes the University of Houston Victoria for comparison purposes.

University of Houston System

FY2026 Capital Budget By University

(\$ in Millions)

	FY2026	FY2025	\$ Chng
University of Houston	470.6	254.0	216.6
UH Clear Lake	50.3	26.0	24.3
UH Downtown	12.4	2.2	10.2
UH Sys. Admin.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	533.3	282.2	251.1

FY2025 data excludes the University of Houston Victoria for comparison purposes.

University of Houston System

FY2026 Capital Construction Planned Expenditures

(Whole dollars)

UH Capital Projects FY2026	
Description	FY2026
UH Sugar Land Academic Building	1,500,000
Innovation Hub	55,000,000
New Hobby School of Public Affairs	44,000,000
Football Operations Facility	10,925,216
CMP - Gateways and Landscape Enhancements	1,000,000
CMP - Lighting and Security Upgrade Phase II	3,748,406
New Medical Research Facility	45,000,000
New Dining Commons	50,000,000
RAD - Phase II Buildout	2,500,000
New Freshman Student Housing	144,000,000
Agrawal Shell Space Build Out	25,000,000
Core Renovation - Science and Research 1	5,000,000
Core Renovation - Charles F. McElhinney	5,000,000
Life Sciences Renovations - TMC Building	23,000,000
Research Core Initiative	8,000,000
Agnes Arnold Renovation	27,000,000
Guy V. Lewis Renovations	404,381
Wilhelmina's Grove	427,184
Technology Building Renovations	2,128,738
CRDM (Capital Renewal Deferred Maintenance)	17,000,000
Total	470,633,925

- FY2026 planned expenditures represent 48.3% of the \$1.1B total cost of the projects.
- About 8 projects breaking ground in late 2025 or early 2026 represent \$436M or 82% of TPC.

UH Clear Lake Capital Projects FY2026	
Description	FY2026
Capital Renewal Deferred Maintenance	1,000,000
Parking Lot/Roadway Maintenance	150,000
Other Infrastructure Upgrades	500,000
Exterior upgrades	100,000
Bayou Renovations	47,922,833
Delta Renovations	25,000
SSCB Renovations	400,000
Stem Renovations	200,000
NOA II renovations	10,000
Total	50,307,833

UH Downtown Capital Projects FY2026	
Description	FY2026
Gator Expansion Project-Girard Street Building	6,650,000
Gator Expansion Project-Student Life Ctr & One Main Bldg	3,262,589
Capital Renewal/Capital Improvements	2,463,430
Total	12,376,019

Total University of Houston System	533,317,777
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System Capital Projects Allocation	
Campus	% of Total
University of Houston	88.2%
UH Clear Lake	9.4%
UH Downtown	2.3%
Total	100.0%

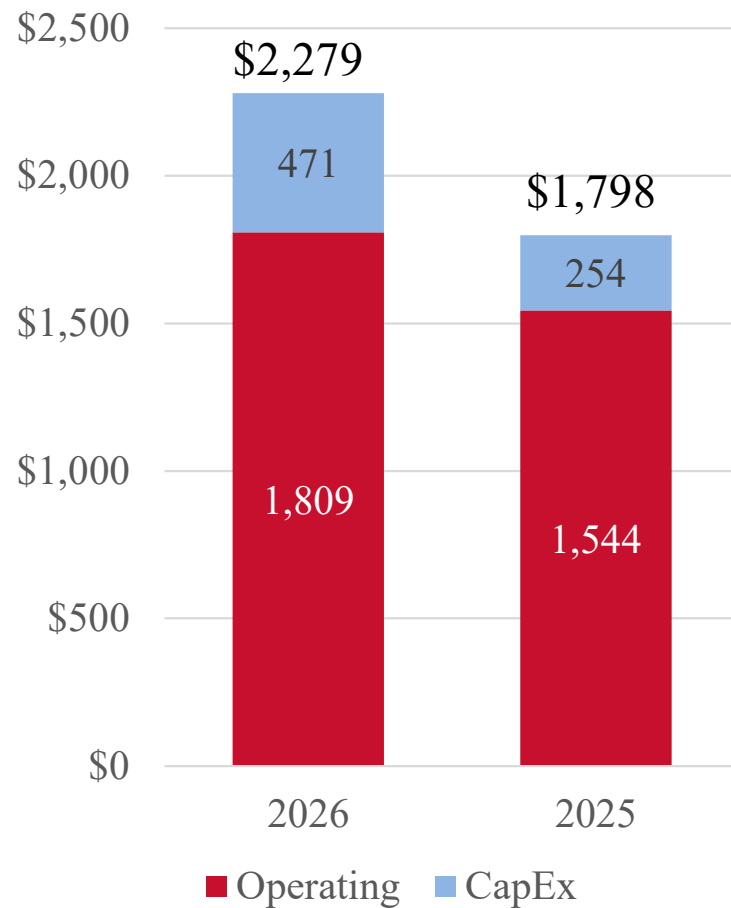
University of Houston System FY2026 Budget

Summary by University

University of Houston

FY2026 Budget Summary

(\$ in Millions)



Budget Highlights

- 2% merit pool for talent retention
- \$65M state appropriations increase
- \$146M TRIP backlog fully funded and program sunset
- FY26 enrollment growth continuing trend over past 2 yrs.
- \$20.3M HEF increase for deferred maintenance, debt service, etc.
- Athletics' \$34.5M full share of conference distributions offset by revenue sharing
- 49% of \$968M capital project cost expended in FY26

University of Houston

Budgeted Operating Revenue by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
State Appropriations	361.7	297.2	64.6	21.7
Higher Ed. Funds	76.5	56.2	20.3	36.1
Tuition & Fees	591.2	573.3	17.8	3.1
Other Operating	297.7	260.7	37.0	14.2
Contracts/Grants	395.4	275.7	119.7	43.4
Endowment/Gifts	<u>86.3</u>	<u>81.3</u>	<u>5.0</u>	<u>6.4</u>
Total	1,808.8	1,544.4	264.4	17.1

University of Houston

Budgeted Operating Expenditures by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
Salaries	703.5	668.1	35.4	5.3
Benefits	153.6	142.0	11.6	8.2
Maint. & Ops.	585.0	381.1	203.9	53.5
Debt Service	92.8	85.8	7.1	8.2
Utilities	28.5	28.6	-0.1	-0.2
Scholarships	<u>245.4</u>	<u>238.8</u>	<u>6.6</u>	<u>2.8</u>
Total	1,808.8	1,544.4	264.4	17.1

University of Houston

FY2026 Budgeted CapEx Spending

	Project to Date (1)	FY2026 Budget	Future Year Budgets	Total Project Budget
New Construction				
UH Sugar Land Academic Building	\$ 61,725,946	\$ 1,500,000	\$ 1,848,026	\$ 65,073,972
Innovation Hub	9,650,543	55,000,000	5,999,457	70,650,000
New Hobby School of Public Affairs	4,616,214	44,000,000	1,133,786	49,750,000
Football Operations Facility	119,379,784	10,925,216	-	130,305,000
CMP - Gateways/Landscape	32,492,131	1,000,000	2,871,902	36,364,033
CMP - Cullen Blvd. Improvements	6,525,000	-	-	6,525,000
CMP - Lighting/Security Upgrade	10,653,998	3,748,406	-	14,402,404
New Medical Research Facility	4,871,546	45,000,000	20,128,454	70,000,000
New Dining Commons	3,273,875	50,000,000	10,726,125	64,000,000
RAD - Phase II Buildout	1,000,000	2,500,000	500,000	4,000,000
New Freshman Student Housing	23,000,000	144,000,000	-	167,000,000
Agrawal Shell Space Build Out	1,500,000	25,000,000	8,500,000	35,000,000
Subtotal New Construction	\$ 278,689,037	\$ 382,673,622	\$ 51,707,750	\$ 713,070,408
Major Repair and Rehabilitation				
Core Renovations - SERC HVAC	\$ 15,960,354	\$ -	\$ -	\$ 15,960,354
Core Renovation - Science & Research 1	25,533,032	5,000,000	1,466,968	32,000,000
Core Renovation - Charles F. McElhinney	17,897,429	5,000,000	7,610,175	30,507,603
Life Sciences Renovations - TMC	5,754,087	23,000,000	2,606,529	31,360,616
Research Core Initiative	6,105,548	8,000,000	4,974,452	19,080,000
Agnes Arnold Renovation	27,187,129	27,000,000	4,937,871	59,125,000
Guy V. Lewis Renovations	4,695,619	404,381	-	5,100,000
Wilhelmina's Grove	4,572,816	427,184	-	5,000,000
Technology Building Renovations	3,621,263	2,128,738	-	5,750,001
Projects Budgeted Annually				
CRDM (Capital Renewal Deferred Mte)	17,000,000	17,000,000	17,000,000	51,000,000
Subtotal Repairs & Rehabilitation	\$ 128,327,276	\$ 87,960,303	\$ 38,595,995	\$ 254,883,574
Total	\$ 407,016,313	\$ 470,633,925	\$ 90,303,744	\$ 967,953,983

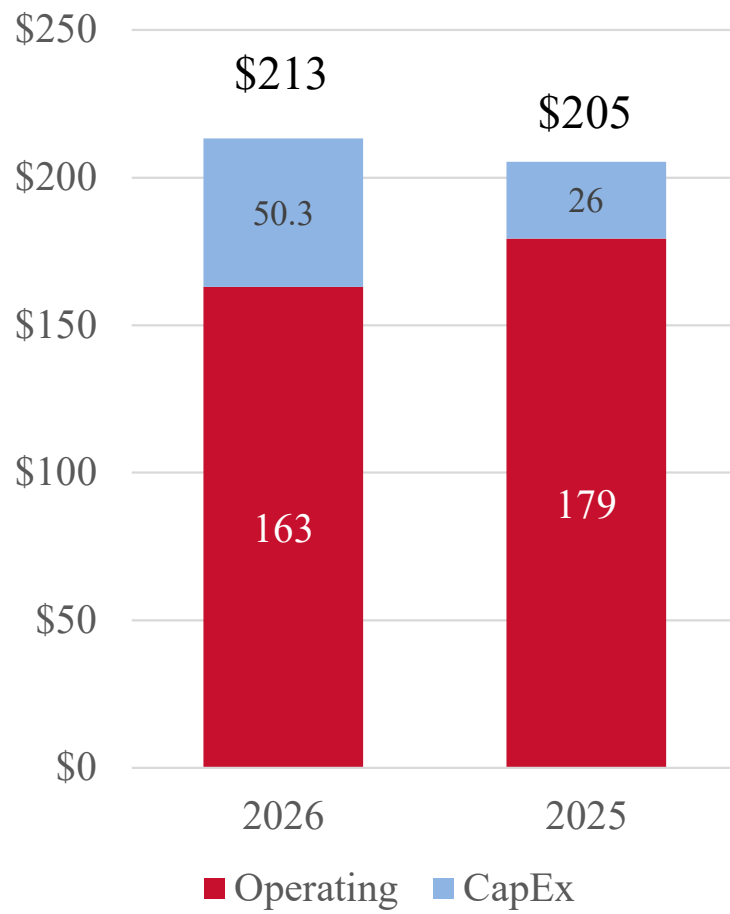
(1) Project expenditures to date, estimated through August 31, 2025

After FY2026, remaining spend for projects is 9.3%

University of Houston Clear Lake

FY2026 Budget Summary

(\$ in Millions)



Budget Highlights

- \$10.7M budget cuts and realignments
- 3% enrollment reduction projected
- Formula funding reduction
- Equity adjustments for talent retention
- \$2M HEF increase for deferred maintenance
- \$9.1M reduction in federal financial aid
- 57% of \$89M capital project cost expended in FY26

University of Houston Clear Lake

Budgeted Operating Revenue by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
State Appropriations	43.2	44.8	-1.6	-3.6
Higher Ed. Funds	10.0	7.9	2.1	25.8
Tuition & Fees	68.5	73.3	-4.8	-6.5
Other Operating	17.8	14.3	3.5	24.6
Contracts/Grants	21.8	37.5	-15.6	-41.7
Endowment/Gifts	<u>1.6</u>	<u>1.6</u>	<u>0.0</u>	<u>2.2</u>
Total	162.9	179.4	-16.5	-9.2

University of Houston Clear Lake

Budgeted Operating Expenditures by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
Salaries	72.1	82.8	-10.7	-12.9
Benefits	16.8	19.3	-2.5	-12.9
Maint. & Ops.	38.6	33.1	5.4	16.3
Debt Service	6.0	5.3	0.6	12.1
Utilities	2.2	1.6	0.6	45.7
Scholarships	<u>27.2</u>	<u>37.3</u>	<u>-10.1</u>	<u>-27.1</u>
Total	162.9	179.4	-16.5	-9.2

University of Houston Clear Lake

FY2026 Budgeted CapEx Spending

	Project to Date (1)	FY2026 Budget	Future Year Budgets	Total Project Budget
Major Repair and Rehabilitation				
Capital Renewal Deferred Maintenance	\$ 912,110	\$ 1,000,000	\$ 1,000,000	\$ 2,912,110
Parking Lot/Roadway Maintenance	-	150,000	20,000	170,000
Other Infrastructure Upgrades	63,337	500,000	10,050,000	10,613,337
Exterior upgrades	7,005	100,000	25,000	132,005
Bayou Renovations	443,656	47,922,833	25,900,000	74,266,489
Delta Renovations	-	25,000	50,000	75,000
SSCB Renovations	10,484	400,000	10,000	420,484
Stem Renovations	-	200,000	20,000	220,000
NOA II renovations	20,000	10,000	5,000	35,000
Subtotal Major Repairs & Rehabilitation	\$ 1,456,592	\$ 50,307,833	\$ 37,080,000	\$ 88,844,425
Total	\$ 1,456,592	\$ 50,307,833	\$ 37,080,000	\$ 88,844,425

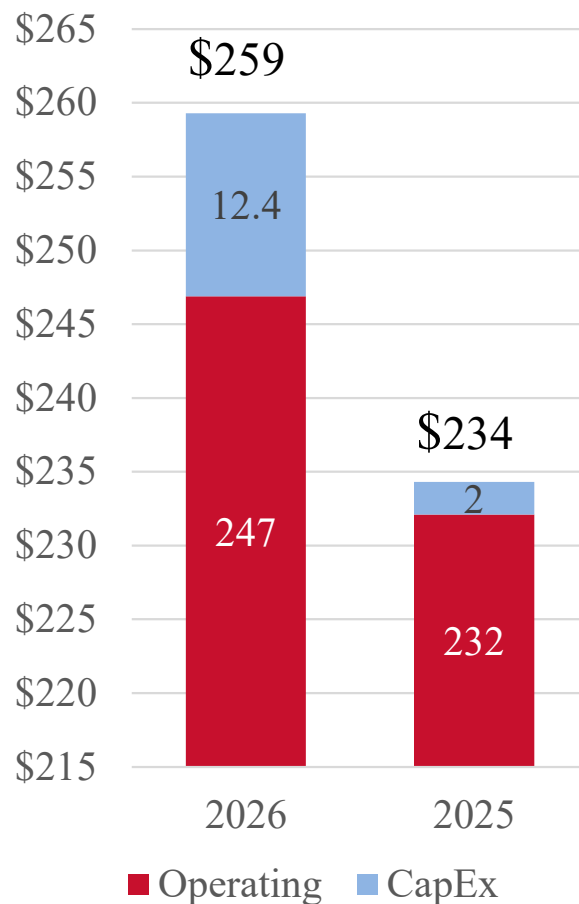
(1) Project expenditures to date, estimated through August 31, 2025

After FY2026, remaining spend for projects is 41.7%

University of Houston Downtown

FY2026 Budget Summary

(\$ in Millions)



Budget Highlights

- Merit pool contingent on 3%+ enrollment growth this Fall
- \$5.5M state funding increase
- \$2.9M HEF increase for deferred maintenance
- \$3.2M budget cuts and realignments
- Budgeting flat enrollment but SCH tracking slightly ahead of budget
- 26% of \$47M capital project cost expended in FY26

University of Houston Downtown

Budgeted Operating Revenue by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
State Appropriations	41.9	36.4	5.5	15.0
Higher Ed. Funds	14.1	11.1	3.0	26.9
Tuition & Fees	108.6	108.6	0.0	0.0
Other Operating	12.9	16.3	-3.4	-21.0
Contracts/Grants	64.5	56.0	8.5	15.3
Endowment/Gifts	<u>4.9</u>	<u>3.6</u>	<u>1.3</u>	<u>35.1</u>
Total	246.9	232.0	14.9	6.4

University of Houston Downtown

Budgeted Operating Expenditures by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
Salaries	93.1	93.2	-0.1	-0.2
Benefits	28.3	26.7	1.6	6.2
Maint. & Ops.	46.3	43.5	2.7	6.2
Debt Service	5.4	5.4	0.0	-0.1
Utilities	2.3	1.5	0.8	55.4
Scholarships	<u>71.5</u>	<u>61.7</u>	<u>9.7</u>	<u>15.7</u>
Total	246.9	232.0	14.9	6.4

University of Houston Downtown

FY2026 Budgeted CapEx Spending

	Project to Date (1)	FY2026 Budget	Future Year Budgets	Total Project Budget
New Construction				
Gator Expansion Project-GSB (Phase 2)	\$ 2,180,558	\$ 6,650,000	\$ 17,936,626	\$ 26,767,184
Subtotal New Construction	\$ 2,180,558	\$ 6,650,000	\$ 17,936,626	\$ 26,767,184
Major Repair and Rehabilitation				
Gator Expansion Project-SLC & OMB (Phase 1)	\$ 3,231,123	\$ 3,262,589	\$ -	\$ 6,493,712
Gator Expansion Project-SLC & OMB (Phase 3)	-	-	11,661,937	11,661,937
Projects Budgeted Annually				
Capital Renewal/Capital Improvements	-	2,463,430	-	2,463,430
Subtotal Major Repairs & Rehabilitation	\$ 3,231,123	\$ 5,726,019	\$ 11,661,937	\$ 20,619,079
Total	\$ 5,411,681	\$ 12,376,019	\$ 29,598,563	\$ 47,386,263

(1) Project expenditures to date, estimated through August 31, 2025

After FY2026, remaining spend for projects is 62.5%

University of Houston System Admin.

Budgeted Operating Revenue by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
State Approp.*	70.5	60.4	10.1	16.7
Higher Ed. Funds	0.0	0.0	0.0	0.0
Tuition & Fees	0.0	0.0	0.0	0.0
Other Operating	11.5	11.4	0.1	1.1
Contracts/Grants	0.0	0.0	0.0	0.0
Endowment/Gifts	<u>2.7</u>	<u>2.7</u>	<u>0.0</u>	<u>1.2</u>
Total	84.7	74.5	10.2	13.7

*represents the \$10M state appropriation for UH at Katy expansion

University of Houston System Admin.

Budgeted Operating Expenditures by Category

(\$ in Millions)

	2026 Proposed	2025 Budgeted	\$ Chng	% Chng
Salaries*	19.0	9.6	9.4	97.4
Benefits	2.8	2.8	0.0	0.8
Maint. & Ops.*	3.9	3.1	0.8	25.8
Debt Service	57.4	57.4	0.0	0.0
Utilities	0.1	0.1	0.0	0.0
Scholarships	<u>1.5</u>	<u>1.5</u>	<u>0.0</u>	<u>0.3</u>
Total	84.7	74.5	10.2	13.7

*subject to change as more details of the UH at Katy expansion plan are provided.