Texas Christian University
Fiscal Year 2027 Operating Budget

To the Board of Trustees:

Highlights

Texas Christian University enters Fiscal Year 2027 with exceptional momentum, strengthened by a year marked by academic distinction, strategic investment, and achievements across every dimension of university life. From the inauguration of our 11th Chancellor, Daniel W. Pullin, to the debut of the new strategic plan, LEAD ON: Values in Action, TCU is embracing a bold vision for the next decade. This vision is grounded in student-centered growth, impactful research, scholarship, and creative activities, athletics, and excellence in community engagement. These successes are the direct result of careful stewardship of our resources, longstanding support from our Board of Trustees, and a shared commitment to ensuring that every investment advances our mission to shape ethical leaders and global citizens.

This year also demonstrated how donor generosity and strategic resource allocation fuel transformational progress. The historic $40 million naming gift to the newly dedicated Louise Dilworth Davis College of Science & Engineering will support innovative programs and faculty excellence for generations to come. Major capital initiatives such as the construction of new residence halls, expansions in dining, and investments in experiential learning partnerships reflect our promise to provide a world-class environment that enriches student life and supports long-term institutional vitality. Every project is grounded in a guiding principle: that University resources must be used responsibly to create the greatest possible impact for students and stakeholders.

TCU's successes this year also extend to broad national recognition, growing research and scholarship, and increased visibility. For the 15th consecutive year, the University ranked among the Top 100 national institutions, with top-tier distinctions in business, nursing, and entrepreneurship, underscoring TCU's continued alignment of academic excellence with workforce needs. Our students' experience remained a hallmark of the TCU identity, with *The Princeton Review* once again naming TCU home to the "happiest students" and one of the nation's Best-Run Colleges, and *U.S. News & World Report* designating TCU among the top 30 most beautiful college campuses.

TCU also launched the Maternal Health Accelerator, an initiative by the Anne Burnett Marion School of Medicine and UT Southwestern Medical School, championed by Mayor Mattie Parker, to reduce severe obstetric complications for mothers and their babies through coordinated care and evidence-based interventions. The $25 million partnership underscores our increasing role in addressing community needs, advancing research, and creating public impact at scale. Additionally, TCU announced AI^2, a major university-wide effort powered by multiple partnerships, including Dell Technologies, representing a $10 million combination of university funding and partner contributions, marking one of TCU’s largest research and technology commitments to date. This significant institutional investment is designed to accelerate high-performance secure research computing, enrich student learning and career preparation, and expand the responsible use of artificial intelligence across campus.

These accolades and initiatives are meaningful because they reflect strategic investments in student support, faculty success, innovative programs, and the advancement of campus infrastructure – all investments that demonstrate responsible use of valuable resources, provide sustained impact, and propel TCU forward.

Our commitment to serving the greater good was particularly evident through initiatives like TCU for Texans, which will expand financial access for qualifying students across the state starting in Fall 2026. This program removes barriers to a TCU education by covering tuition, housing, and food assistance for eligible families, demonstrating how thoughtful resource allocation can expand opportunity and strengthen Texas's future.

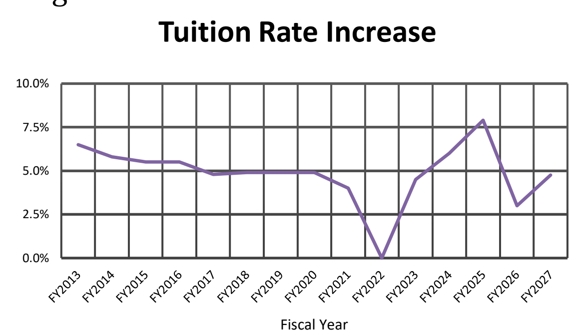
Finally, our competitive spirit and national presence continue to rise with Athletics programs across the University achieving great success. Women’s basketball concluded their season with a remarkable second consecutive outright Big 12 women’s basketball regular season title, soccer advanced to the College Cup, volleyball played in the NCAA tournament's round of 32, triathlon finished third at the national meet, and the unforgettable Alamo Bowl victory for TCU football beating 16th ranked USC 30-27 in the final seconds in stellar fashion. These successes have elevated TCU’s profile and strengthened pride among students, alumni, and fans. These achievements are not isolated successes; they represent sustained investment in the holistic student experience and a belief that excellence in athletics enhances the institution's reputation, visibility, and vibrancy.

As we present the Fiscal Year 2027 Operating Budget, we do so with a clear sense of purpose: to allocate resources in ways that stay true to our core values of integrity, engagement, community, and excellence and amplify TCU’s momentum, safeguard its long-term financial strength, and advance our mission and impact. While higher education nationwide is grappling with financial pressures driven by enrollment declines and rising operating costs, our institution stands apart. We are experiencing sustained growth, expanding our brand reach, and doing so from a position of exceptional financial strength made possible by disciplined stewardship, by being a values-centered community that students actively choose, and by the unwavering generosity of our supporters.

The University's growth, resilience, and success are the result of careful planning, strategic investment, and a community united by values. With the continued leadership of the Board of Trustees, Chancellor, and all stakeholders, TCU is poised to "Lead On" stronger, more ambitious, and more committed than ever to serve our students and the world.

Fiscal Year 2027

The University is committed to maintaining a healthy financial position. Enrollment remains strong as do contributions to, and earnings from, TCU's Endowment. This Fiscal Year 2027 Operating Budget incorporates the approved academic-year tuition rate increase of 4.75%. This follows a 3.0% increase in Fiscal Year 2026. Additionally, a merit pool of three percent (3%) for faculty and staff was funded. This merit increase recognizes employees as TCU's number one priority.



With these factors in mind, the University administration prepared this Fiscal Year 2027 Operating Budget for the Board of Trustees' review and approval.

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

- Total budgeted revenues of $827.0 million, a 6.0% increase from Fiscal Year 2026
- Tuition rate increase of 4.75%, resulting in full-time undergraduate tuition of $66,520
- Budgeted undergraduate enrollment of 11,286 students
- An Endowment payout of $123.9 million, an increase of $6.5 million from the previous year

STRATEGIC CONTEXT

As outlined in the Fiscal Year 2026 Operating Budget, during the Fall 2024 Board of Trustees Meeting, TCU's new strategic plan, LEAD ON: Values in Action, was approved and subsequently launched in January 2025.

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

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

The Fiscal Year 2027 Operating Budget contains key investments in the *Lead On: Values in Action* Strategic plan, including:

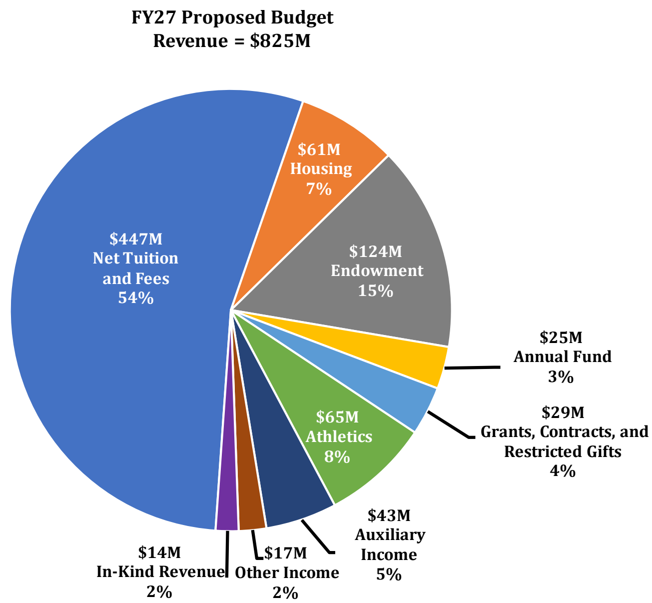
- A foundational investment through a 3% merit pool in recognition of TCU's most important resource: its employees.
- Financial Aid for First-Year and continuing students to provide access and opportunities, strengthen the TCU experience and campus culture, and enhance their academic profile (Pillar 1).
- Investments in faculty to support the 14:1 student-to-faculty ratio (Pillars 1 and 2).
- Continued funding to support the Anne Burnett Marion School of Medicine to assist in strengthening the academic profile and reputation of TCU. (Pillars 1 and 2).
- TCU's commitment to participating at the maximum level of revenue sharing with its student-athletes as a result of the House versus NCAA (Pillar 3).
- Continued foundational investment in capital improvements to enhance the campus experience, environment, and infrastructure (Pillars 1, 2, 3, and 4).
- Ongoing support for the University Strategy & Innovation and Government Relations Offices to advance TCU's long-term vision by driving forward-thinking strategies, fostering innovation, and strengthening advocacy efforts with local, state, and federal partners. (Pillars 2, 4).

BUDGET SUMMARY

The Operating Budget for the 2026-2027 Academic Year totals $827.0 million, an increase of $47.1 million or 6.0%, over the Fiscal Year 2026 Operating Budget. A budget summary with a comparison to the prior year's operating budget can be found at the end of this document. The allocation of revenues and expenses among the categories are shown in pie charts below, along with information about each revenue and expense category.

REVENUES

The University's total revenues are comprised of several sources, with Net Tuition Revenue as the principal source. Net Tuition is the tuition revenue the University receives after the application of tuition discounts funded by grants, scholarships, and other institutionally funded Financial Aid awards. The Fiscal Year 2027 Net Tuition Revenue is expected to increase 7.3%, or $30.5 million.



Total Tuition and Fees is budgeted to increase 5.4% over the Fiscal Year 2026 Operating Budget to $863.3 million before any discounts. The growth is due to an increase in tuition rates, the implementation of the Neeley Differential Tuition rate, and rising student retention.

Financial Aid for undergraduate and graduate students is budgeted at $416.4 million, or 3.4% higher than the current year's budget of $402.7 million, and includes all forms of aid offered to students: scholarships, need-based aid, graduate stipends, and aid for student-athletes.

Housing is expected to grow 5.6% or $3.2 million over Fiscal Year 2026. This increase is driven by the additional housing related to the increased number of undergraduate students and a five percent (5%) increase in housing rates.

Endowment Spending will increase to $123.9 million or 5.5% over the prior year's budget. The payout is based upon five percent (5%) of the trailing twelve-quarter average endowment market value as of December 31st of a particular year.

The **Annual Fund – Frog Club** budget is $19.6 million. This revenue is generated from the donor portion of Athletics season tickets and parking.

Annual Fund – Institutional is unrestricted funding generated by colleges, schools, and other nonathletic units through annual giving from donors.

Grants, Contracts, and Restricted Gifts are budgeted at $29.5 million, an increase of $3.2 million year over year. These revenues include several sources; the largest is federal and state grants for Financial Aid ($15.3 million), followed by revenue from externally funded research grants ($12 million). Restricted gifts to the University are also included in this category.

Athletics revenues are largely driven by football-related activities, including television revenue and conference distributions. Athletics revenues are budgeted at $64.9 million, an increase of $1.4 million, or 2.2%, over Fiscal Year 2026.

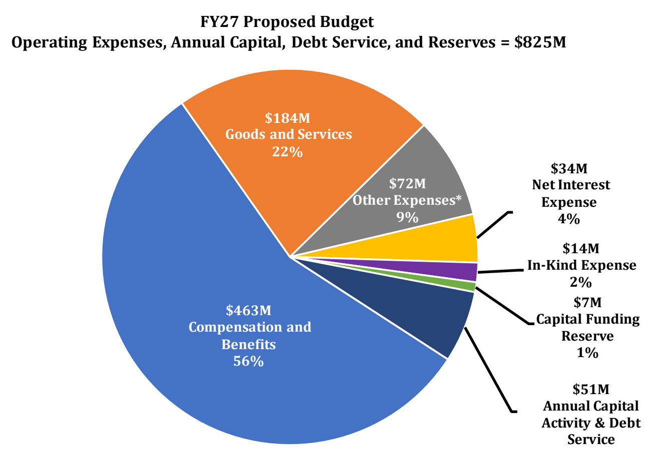
The majority of **Auxiliary Income** is derived from on-campus dining services. Auxiliary operations generally represent non-academic University activities such as food services and the TCU Campus bookstore, which primarily serve students, faculty, and staff. Revenues from Starpoint School, KinderFrogs School, and Miller Speech and Hearing Clinic are also included in this category. Auxiliary Income is budgeted to be $43.0 million.

Other Income includes revenue from numerous areas such as University Police operations, University Campus Recreation, the campus Health Center, Frog Camp, and interest earned on working capital investments.

In-Kind Revenue is the recognition of support from the preceptor model for the TCU School of Medicine in Fiscal Year 2027.

EXPENSES

Compensation and Benefits includes faculty and staff salaries, fringe benefits, health insurance, retirement expenses, tuition benefits for active employees, and post-retirement medical benefits for retired employees. Total compensation expense is budgeted to be $462.7 million, an increase of 4.3% over the previous fiscal year's operating budget. The $19.0 million increase is related to the three percent (3%) merit pay increase and the addition of faculty and staff positions in Fiscal Year 2027.



**Other Expenses include Equipment and Repairs, Utilities, Insurance and Taxes, One-Time Funding Allocations*

With compensation and benefits being the largest expense category for the University, this area is continuously evaluated to ensure that best practices are implemented and there is equity across all positions.

Expenditures for **Goods and Services** represent the University's second-largest expense category. Expenses are budgeted at $184.3 million, with dining services contributing approximately twelve percent (12%) of the total. Other departmental operating costs, such as travel, supplies, mail services, and dues and subscriptions, are also recorded here.

The budget for **Utilities, Insurance, and Taxes** is $23.3 million. This category includes costs for utilities, property, auto, and other general insurance programs, as well as property and other taxes.

Equipment and Repairs represents the operational costs to maintain the University's campus facilities and to purchase non-capitalizable equipment, including software maintenance. In Fiscal Year 2027, the budgeted increase for this expense category is $0.8 million or 3.4%.

Net Interest Expense represents the interest costs associated with the University's debt, less any amounts capitalized toward construction projects. The budget for Net Interest Expense will increase by $5.1 million in Fiscal Year 2027.

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

Strategic Expenditures in the Fiscal Year 2027 Operating Budget consist of funding set aside to support the University's strategic plan, Lead On: Values in Action. Allocations from this funding source will be prioritized by the Administration and will be aligned with the four pillars of the strategic plan. Additionally, within this expense category, $1.0 million has been allocated to support the Burnett School of Medicine’s Clinical Research Trial Consortium. This is the fourth installment of a five-year funding commitment.

The **Capital Funding Reserve** and **Annual Capital Activity** represent funds that are set aside from operations and are used to support the University’s capital needs. Budgeted at a combined $34.5 million in Fiscal Year 2027, they are used to fund the expenditures related to academic and non-academic building improvements (reshoring), capital equipment, computers, annual capital projects, and other capital activity.

LEAD ON: Values in Action

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

SUMMARY

The proposed Fiscal Year 2027 Operating Budget continues to support the goals outlined in the Lead On: *Values in Action* while maintaining strong financial stewardship. The Fiscal Year 2027 Operating Budget is presented for consideration to the Board of Trustees on the following page, along with the comparison to the Fiscal Year 2026 Operating Budget. The proposed Operating Budget continues TCU's commitment to fulfilling the Mission Statement: To educate individuals to think and act as ethical leaders and responsible citizens in the global community by providing financial resources that improve sustainability for decades to come.

Respectfully submitted,

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

March 2026

TEXAS CHRISTIAN UNIVERSITY
Fiscal Year 2027 *Proposed* Operating Budget

($ in millions)	FY2026 Budget	FY2027 Budget	Variance Amount	Variance Percent
Revenues:				
Tuition and Fees	$819.1	$863.3	$44.2	5.4%
Financial Aid	(402.7)	(416.4)	(13.7)	3.4%
Total Net Tuition	**$416.4**	**$446.9**	**$30.5**	**7.3%**
Housing	57.4	60.6	3.2	5.6%
Endowment Spending	117.4	123.9	6.5	5.5%
Annual Fund – Frog Club	18.7	19.6	0.9	4.8%
Annual Fund – Institutional	5.9	5.9	0.0	0.0%
Grants, Contracts, and Restricted Gifts	26.3	29.5	3.2	12.2%
Athletics	63.5	64.9	1.4	2.2%
Auxiliary Income	38.0	43.0	5.0	13.2%
Other Income	19.7	18.9	(0.8)	(4.1%)
In-Kind Revenue	16.6	13.8	(2.8)	(16.9%)
Total Operating Revenues	**$779.9**	**$827.0**	**$47.1**	**6.0%**
Expenditures:				
Compensation and Benefits	443.7	462.7	19	4.3%
Goods and Services	175.5	184.3	8.8	5.0%
Utilities, Insurance, and Taxes	23.3	23.3	0	0.0%
Equipment and Repairs	23.7	24.5	0.8	3.4%
Net Interest Expense	29.2	34.3	5.1	17.5%
Other Expenses	6.8	7.5	0.7	10.3%
Strategic Expenditures	12.4	18.8	6.4	51.6%
In-Kind Expense	16.6	13.8	(2.8)	(16.9%)
Total Operating Expenditures	**$731.2**	**$769.2**	**$38.0**	**5.2%**
Capital Funding Reserve	7.0	7.0	0.0	0.0%
Annual Capital Activity	27.5	27.5	0.0	0.0%
Debt Service	14.2	23.3	9.1	64.1%
Total Capital Activities and Debt Service	**$48.7**	**$57.8**	**$9.1**	**18.7%**
Revenues in Excess of Expenditures and Reserves	**$0.0**	**$0.0**	**$0.0**	**0.0%**