

University of Kansas

KBOR Mid Year Financial Update

March 11, 2026

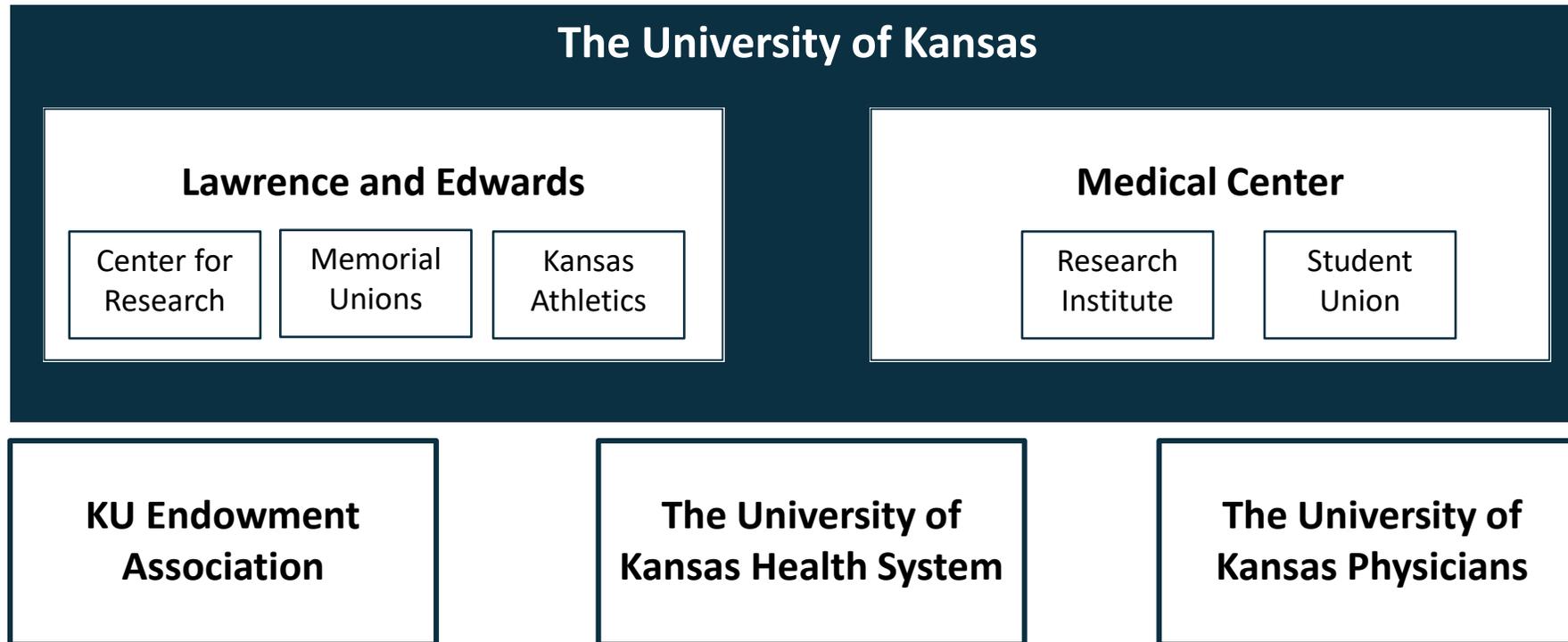


AGENDA

- KU Structure
- Mid-Year Updates
- Enrollment
- Tuition & Fees – Peer Comparisons
- General Use Budget Update
- Operating Expenditures
- Debt Service & CFI
- Fiscal Challenges

KU Structure

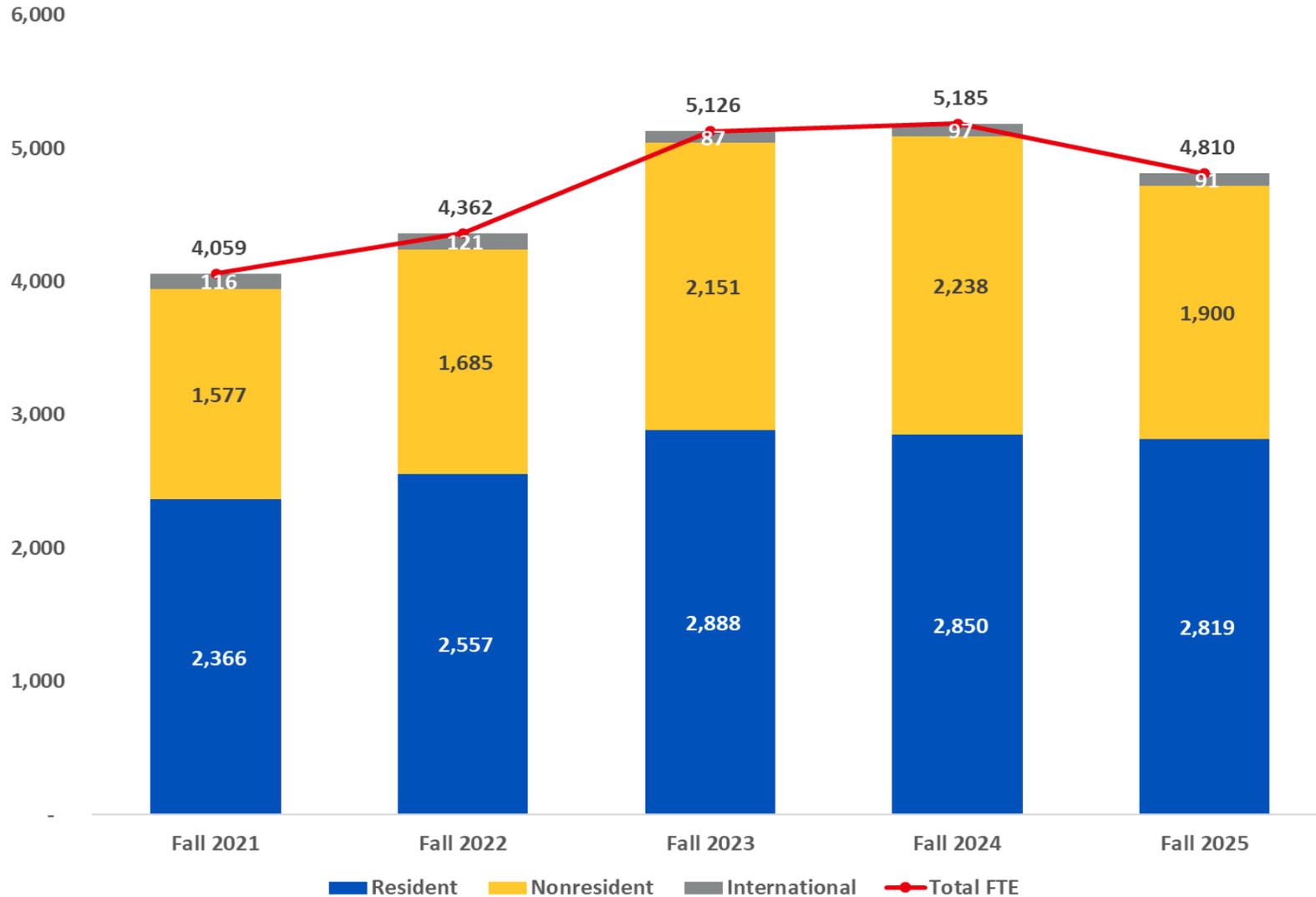
- Two Agencies
- Five Primary Controlled Affiliated Corporations
- Three Primary Non-Controlled Affiliated Corporations



Mid Year Updates

- ❖ Third largest freshman class in KU history
- ❖ University total enrollment is the largest in KU history impacting both revenue and expenses
- ❖ Developing strategies to manage future impact of enrollment cliff
- ❖ Transitioning to a One KU operation and management structure
- ❖ New Provost & Executive Vice Chancellor – Arash Mafi
- ❖ Research remains strong with uncertainty of future federal research funding
- ❖ Efforts continue to identify and move faculty and staff to market pay
- ❖ Operating in the first year of athletic revenue sharing and NIL
- ❖ Phase II of the Gateway Stadium project under construction with full completion by 2028 (donor, Star Bond, TIF, CID and developer)
- ❖ New Cancer Center project under construction to be completed December 2027 (Federal, State, donor, debt)
- ❖ New Wichita Biomedical Education Campus project proceeding in collaboration with Wichita State

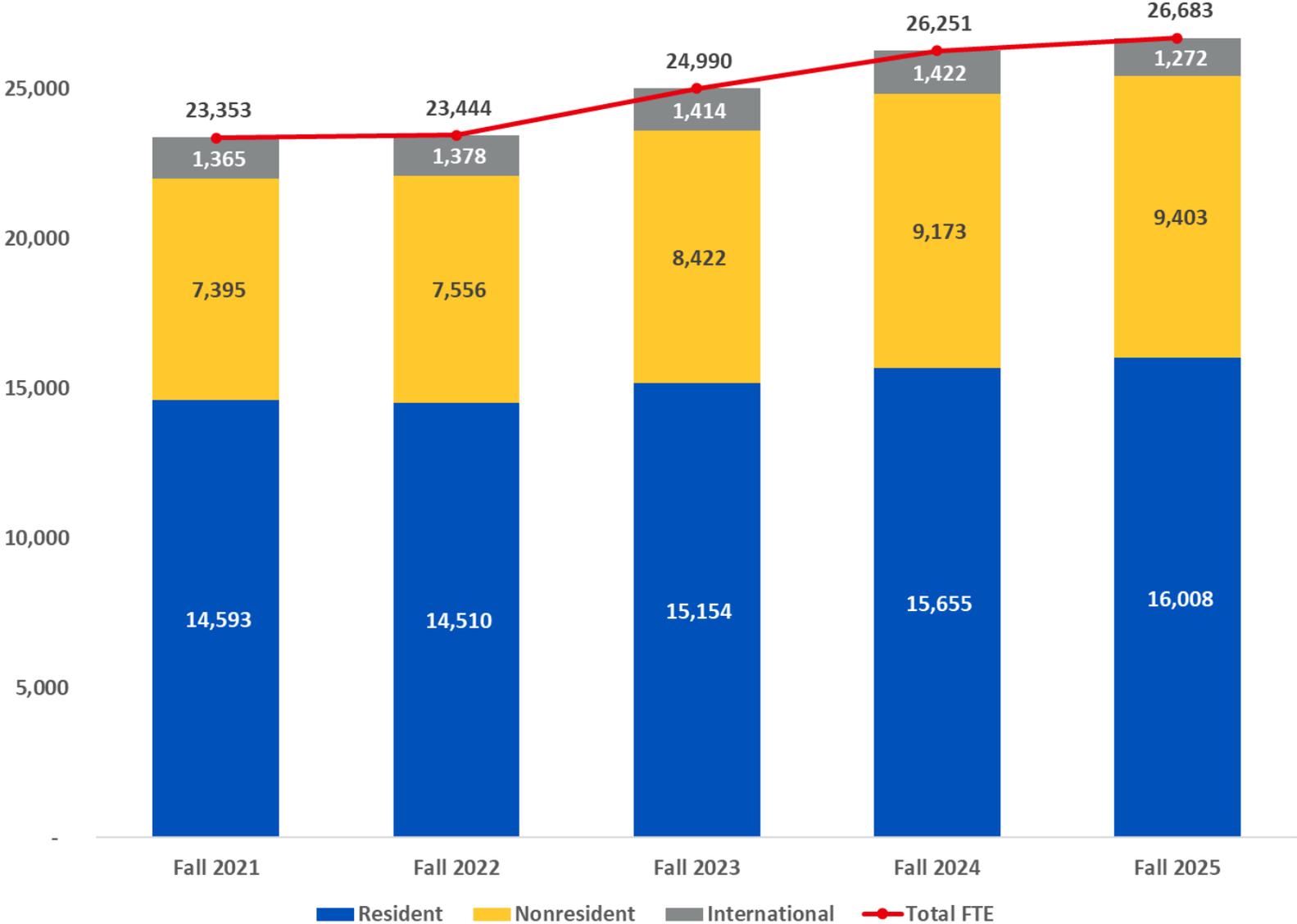
Third Largest Freshman Class in Fall 2025



Note: FTE calculated using 15 credit hours as a divisor

University Wide Student FTE

Fall 2021 – Fall 2025

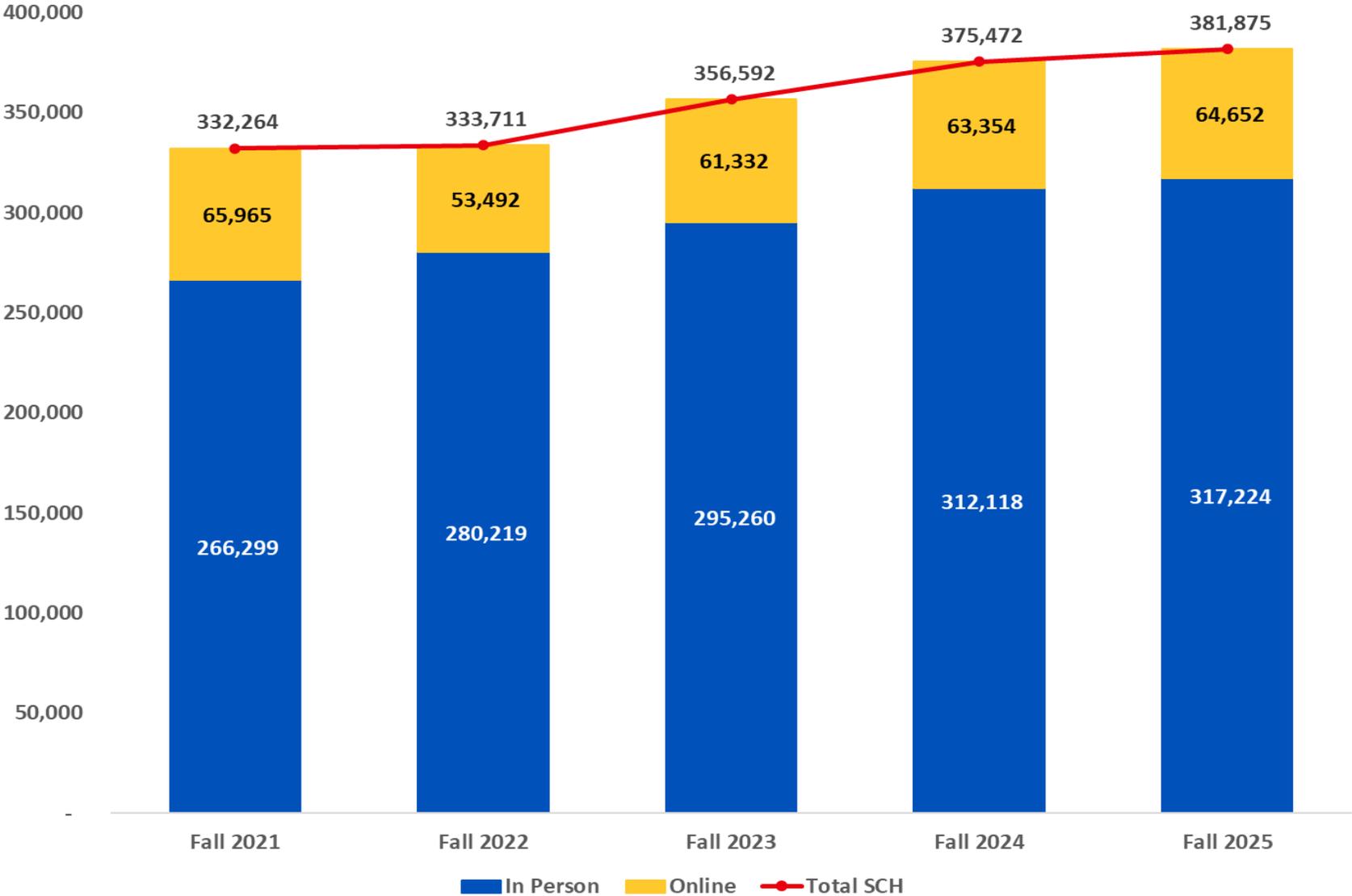


**Largest
Student FTE
on record**

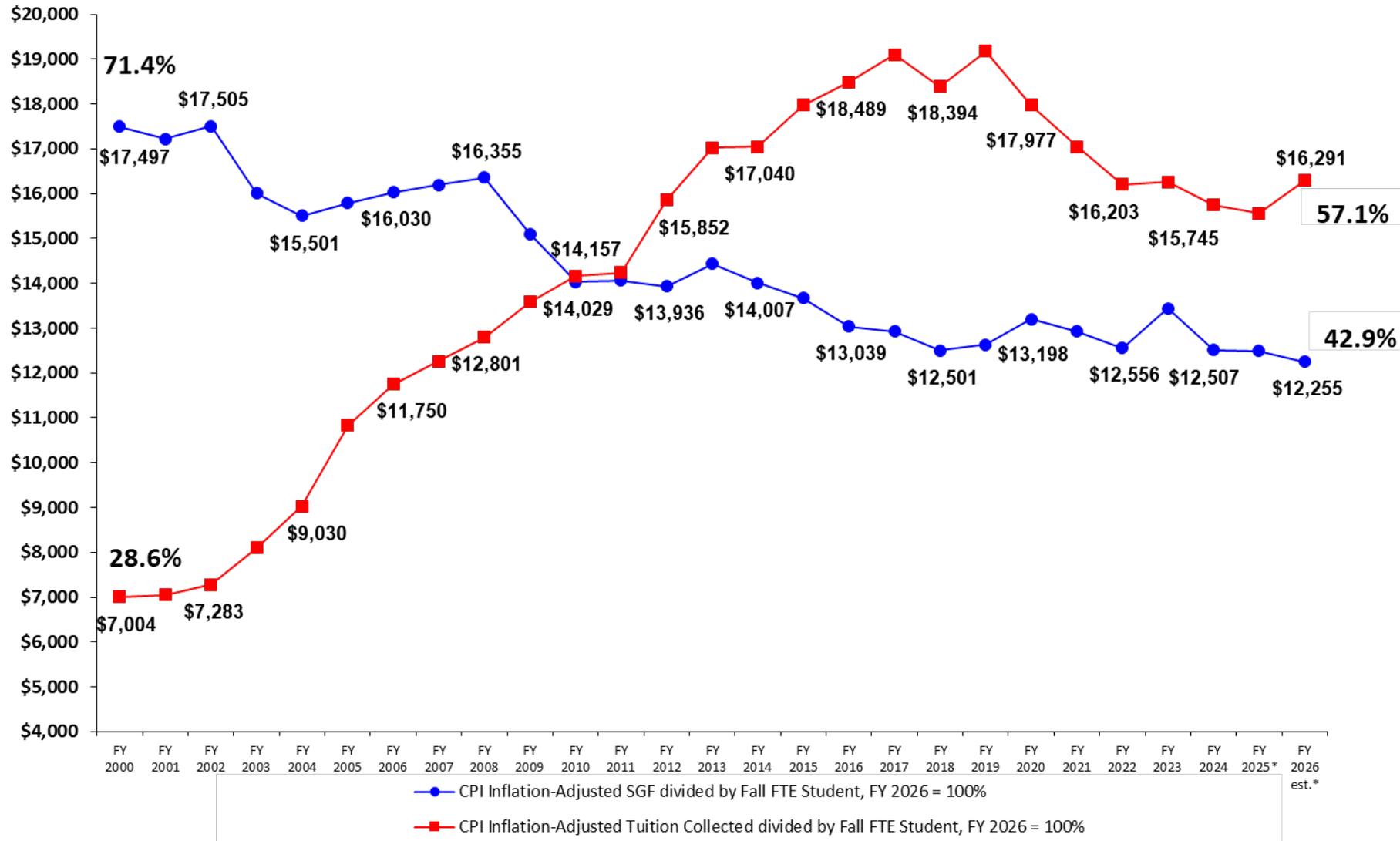
Note: FTE calculated using 15 credit hours as a divisor for undergraduate students, 12 for graduate students

Fall Student Credit Hour Production

Fall 2021 – Fall 2025

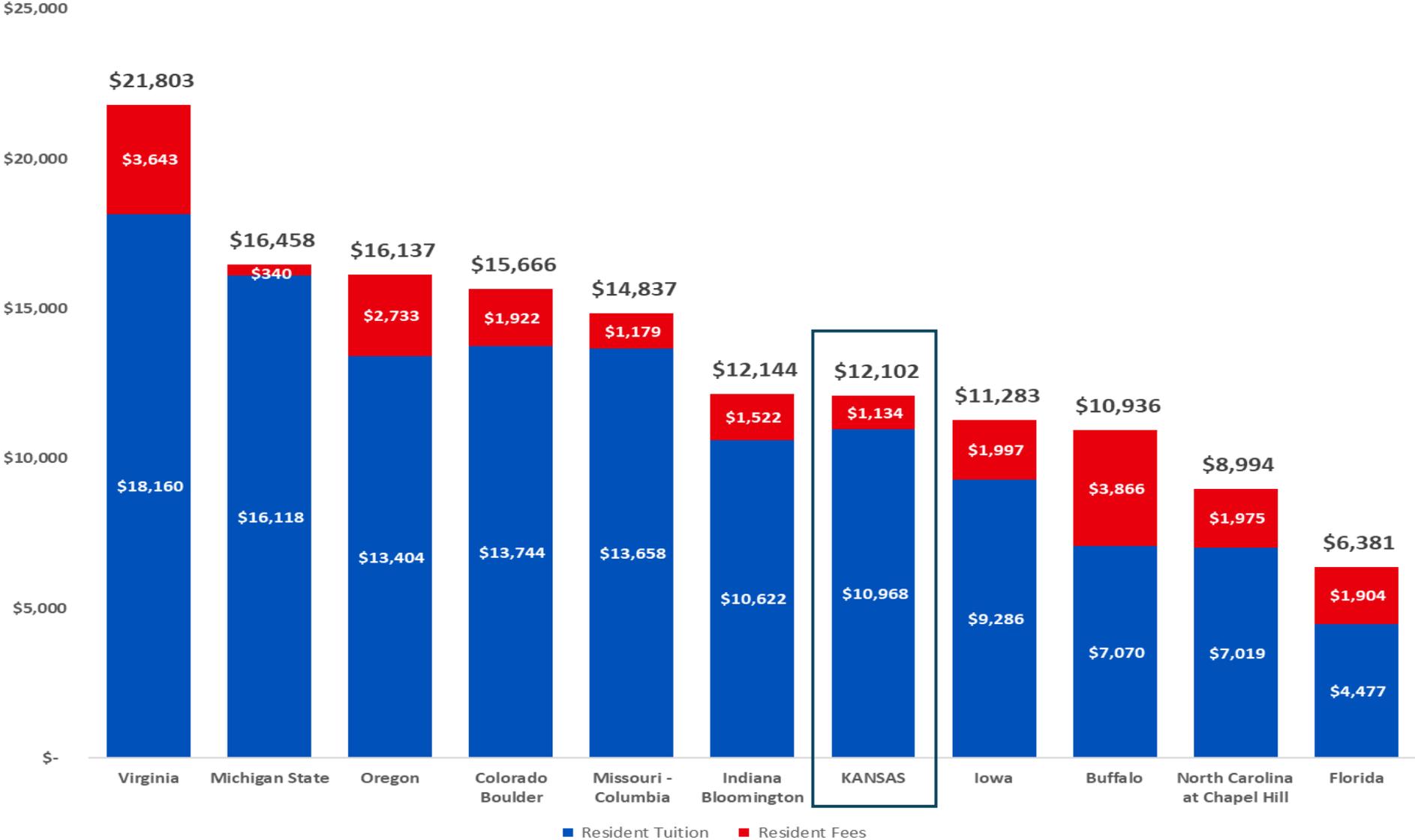


Students Shoulder Larger Portion of Educational Cost



*FY 2025 & FY 2026 SGF expenditures exclude \$75 million in one time funding provided for the construction of a new facility for the KU Cancer Center

KU Lawrence Tuition & Fees Peer Comparison



KU Lawrence – General Use Budget

As of 12/31/2025

Revenue by Funding Source	ABR - FY 2026 Budget	Year to Date Actual	YTD as % of Budget
SGF - Operating Funds	199,903,155	105,190,401	52.62%
Tuition	387,383,553	195,057,005	50.35%
Other General Use	1,760,496	904,345	51.37%
Total Revenue Budget	\$ 589,047,204	\$ 301,151,751	51.13%

Expenditures by Budget Program	ABR - FY 2026 Budget	Year to Date Actual	YTD as % of Budget
Instruction	286,408,554	121,433,871	42.40%
Research	35,429,977	16,957,475	47.86%
Public Service	3,331,996	1,686,349	50.61%
Academic Support	64,029,784	32,736,006	51.13%
Student Services	30,555,733	15,905,782	52.05%
Institutional Support	60,635,004	31,217,050	51.48%
Operations and Maintenance of Plant	58,199,667	33,722,351	57.94%
Scholarships and Fellowships	37,654,172	23,187,408	61.58%
Other Auxiliary Enterprises	606,343	616,338	101.65%
Debt Service	1,766,250	56,549	3.20%
Capital Improvements	11,590,322	7,923,274	68.36%
Total Expenditure Budget	\$ 590,207,802	\$ 285,442,453	48.36%

KU Medical Center – General Use Budget

As of 12/31/2025

Revenue by Funding Source	ABR - FY 2026 Budget	YTD Actual 12/31/2025	YTD as % of Budget
SGF - Operating Funds	122,455,276	54,110,571	44.19%
SGF - Medical Scholarships and Loans - Primary Care	4,488,171	3,050,316	67.96%
SGF - Specialty Medical Student Loan Program	1,913,000	771,199	40.31%
Tuition	54,635,221	24,501,288	44.85%
Other General Use	13,037,825	4,597,379	35.26%
Cancer Research Facility	44,539,015	6,161,120	13.83%
Wichita Residency Program	29,071	7,843	26.98%
Total Revenue Budget	241,097,579	93,199,716	38.66%

Expenditures by Budget Program	ABR - FY 2026 Budget	YTD Actual 12/31/2025	YTD as % of Budget
Instruction	62,157,594	29,573,962	47.58%
Research	26,818,561	11,386,588	42.46%
Public Service	1,855,632	893,811	48.17%
Academic Support	16,979,011	8,333,109	49.08%
Student Services	2,728,846	1,339,265	49.08%
Institutional Support	54,414,770	21,978,811	40.39%
Operations & Maintenance of Plant	22,895,272	9,661,616	42.20%
Scholarships & Fellowships	6,469,594	3,886,749	60.08%
Other Auxillary Enterprises	-	-	0.00%
Debt Service	-	-	0.00%
Capital Improvements	46,778,299	6,145,805	13.14%
Total Expenditure Budget	241,097,579	93,199,716	38.66%

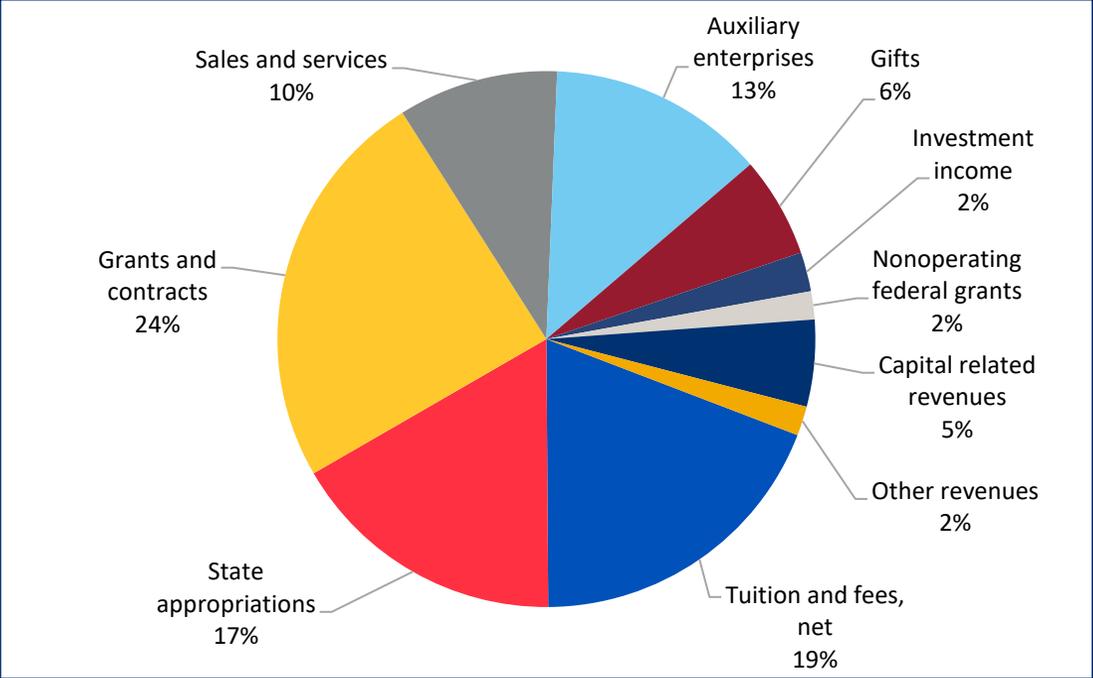
Consolidated Expenditures – 5 Year Trend

Functional Classification Presentation

Classification	2021	2022	2023	2024	2025
Instruction	\$ 416,557,473	\$ 425,266,109	\$ 460,508,152	\$ 508,898,522	\$ 534,714,568
Research	286,135,478	334,750,010	363,726,476	412,095,063	464,216,094
Public service	55,347,527	50,903,510	71,471,869	79,266,165	73,123,696
Academic support	76,639,656	67,780,575	81,702,628	85,933,775	92,769,081
Student services	46,895,540	43,464,595	46,344,475	50,051,601	53,653,684
Institutional support	86,330,227	93,570,170	91,336,969	103,124,513	118,102,817
Operations and maintenance of plant	100,404,051	96,856,766	104,766,569	101,075,961	98,242,835
Depreciation and amortization	100,643,356	98,281,589	105,893,118	112,199,452	121,672,708
Scholarships and fellowships	28,087,745	43,624,072	23,396,940	36,980,241	37,451,938
Auxiliary enterprises	142,453,283	162,674,027	180,320,315	190,970,472	201,967,042
Other operating expenses	762,856	56,580	365,841	380,230	400,514
Interest	26,665,530	22,593,931	21,947,079	20,888,619	22,494,367
Other non-operating expenses	1,768,646	4,084,024	1,144,608	17,909,606	2,391,487
Total expenses	\$ 1,368,691,368	\$ 1,443,905,958	\$ 1,552,925,039	\$ 1,719,774,220	\$ 1,821,200,831

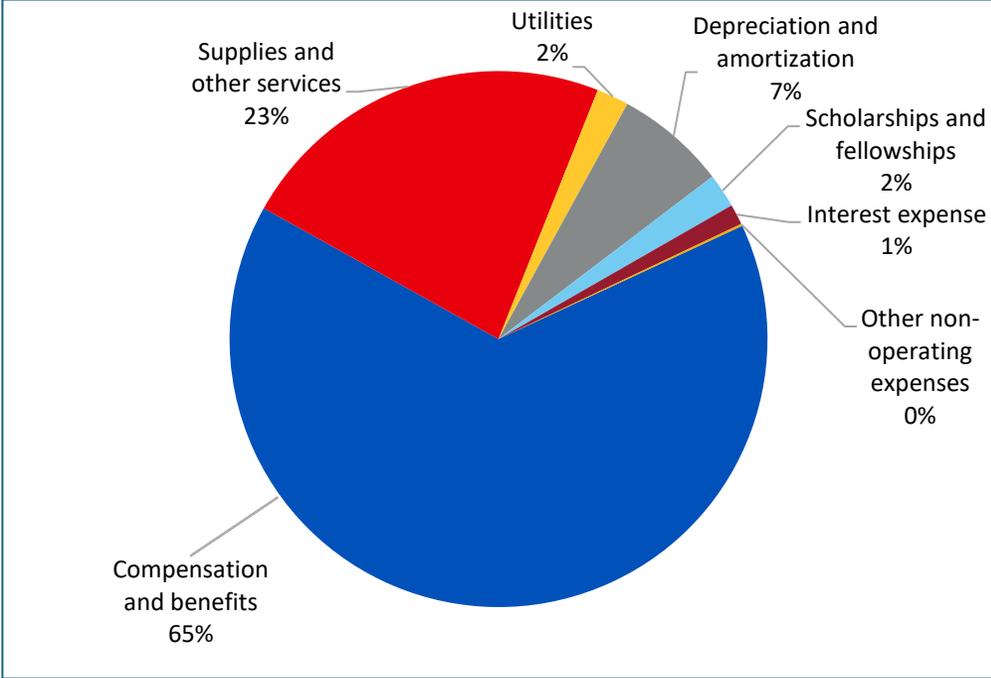
KU Revenues & Expenses

Where Does the Money Come From?



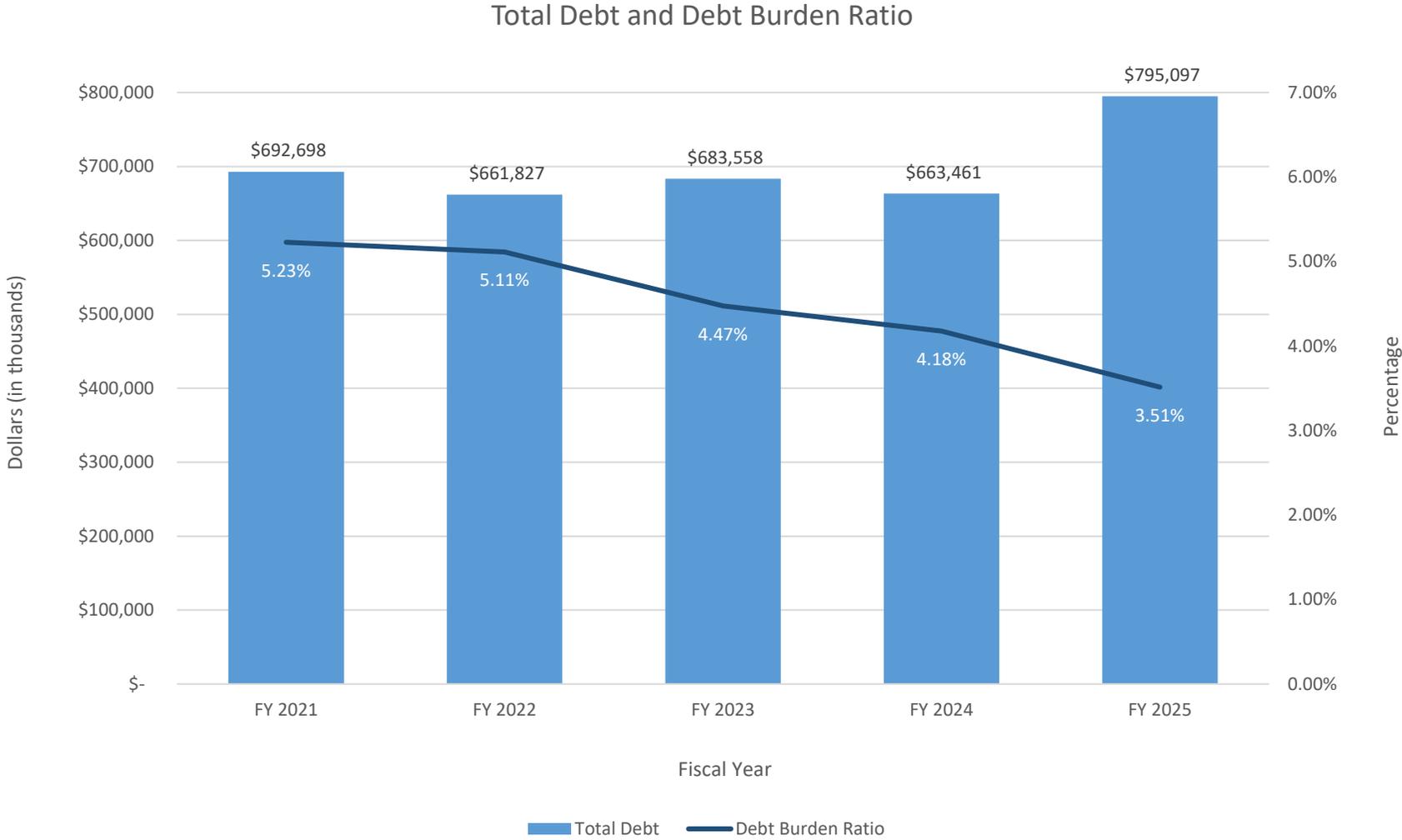
Total FY2025 Revenues \$1.9 Billion

Where Does the Money Go?



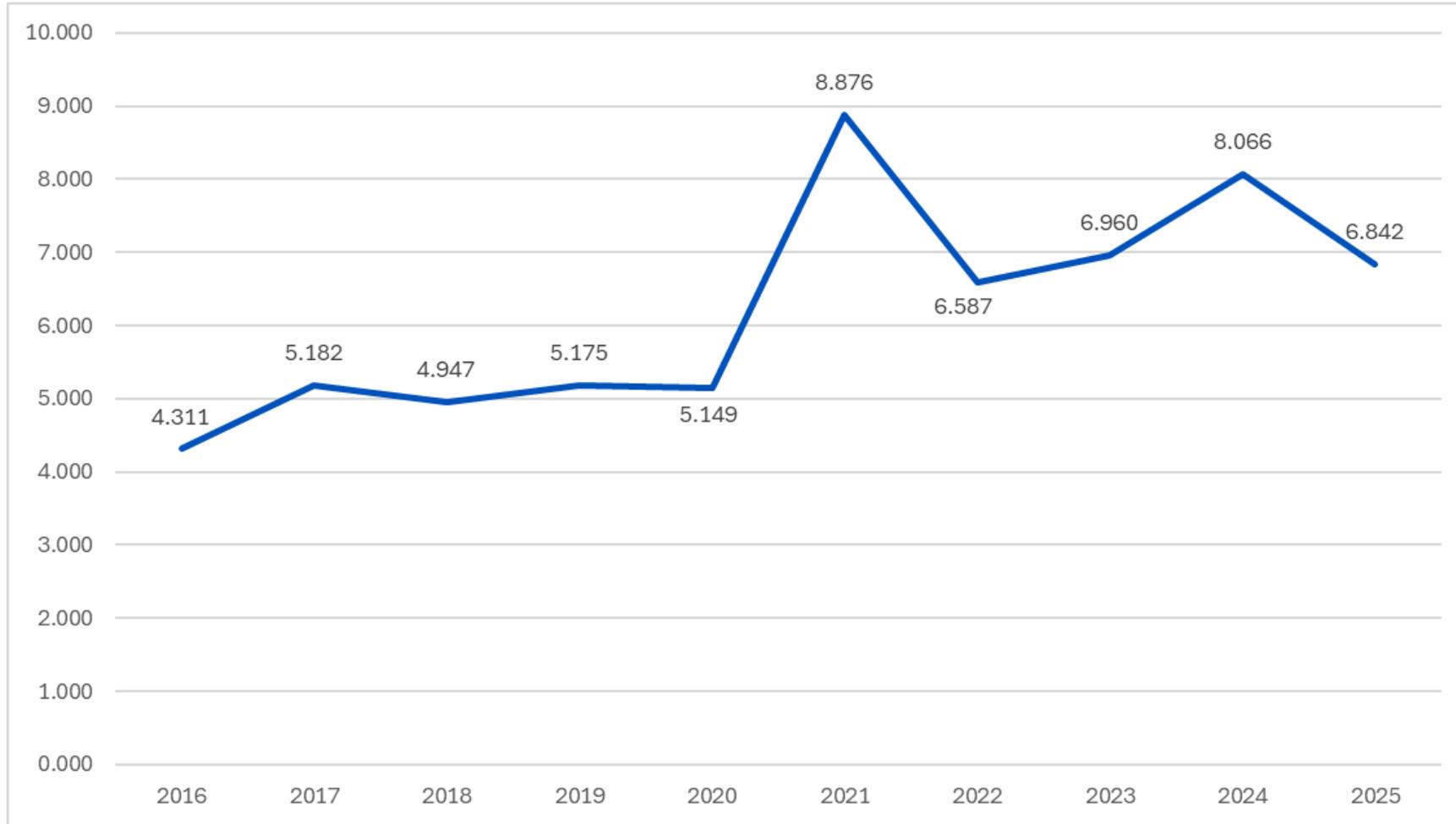
Total FY2025 Expenses \$1.8 Billion

Historical Total Debt & Debt Burden



The debt burden ratio is calculated by taking the principal and interest payments for all debt for the year divided by total expenses, excluding depreciation, plus principal payments. KU's policy states this ratio cannot exceed 7%.

Composite Financial Index Score



Causes for Change:

- 2021 – Market Increase on KUEA and Investments
- 2022 – Market Decline on KUEA and Investments
- 2023-2024 – Market Increase on KUEA and Investments
- 2025 – Growth in capital leases and bonds payable

Fiscal Challenges

Flat or declining State support

Uncertainty of Federal funding (grants/student aid)

Faculty and staff recruitment and retention – addressing market pay gaps for all employee groups

Enrollment challenges due to demographic shifts & public perception

Facility upgrades, maintenance, & new facilities

Cybersecurity threats and rapidly changing IT environment

National court case related to athletics (House v. NCAA) plus NIL pressures

Inflation-driven cost increases (18.9% over 5 years per HEPI)



Questions & Answers



KU[®]

