



AMERICAN UNIVERSITY BUDGET REPORT

From the President and
Chief Financial Officer

FISCAL YEAR 2026
July 1, 2025–June 30, 2026
Adopted by the Board of Trustees
November 14, 2025

AMERICAN UNIVERSITY

BUDGET REPORT



FISCAL YEAR 2026

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REPORT FROM
**PRESIDENT JONATHAN R. ALGER
AND CHIEF FINANCIAL OFFICER
BRONTÉ BURLEIGH-JONES**

AU’s people remain at the heart of the FY26 budget. As in previous years, salaries and benefits for faculty and staff—along with student financial aid—constitute two-thirds of our expense base and investments

Dear AU Community,

We are pleased to announce that the AU Board of Trustees has approved a revised operating budget for fiscal year 2026 totaling \$805 million, reflecting necessary adjustments made in response to unanticipated shifts in enrollment. While the revised FY26 budget continues our steadfast commitment to students, scholarship, and community, it also begins the vital work of repositioning the university for long-term financial health within a rapidly changing higher education landscape.

The FY26 budget represents the initial phase of a comprehensive, community-wide process focused on addressing structural budget challenges and preparing AU for future success. Over the past two years, our campus community engaged in extensive analyses of enrollment trends, revenue expectations, academic programs, student support services, research priorities, and operational functions. This collaborative effort provided a strong foundation for recalibrating our assumptions and realigning resources with current and emerging institutional needs.

While AU is not alone in facing the significant enrollment shifts and evolving operating environment challenging higher education institutions nationwide, our approach remains squarely focused on solutions grounded in AU’s unique identity and values. Through this intensive effort, we recalibrated the FY26 budget to meet our changing enrollment and operational realities and implemented more than \$82 million in structural realignments. Developed in partnership with divisions across the university, these actions allowed us to make significant progress toward addressing our structural deficit and providing a stable financial footing as we navigate evolving federal policy changes and broader shifts in the higher education landscape.

People and Priorities

AU’s people remain at the heart of the FY26 budget. As in previous years, salaries and benefits for faculty and staff—along with student financial aid—constitute two-thirds of our expense base and investments. In addition, we continue to invest strategically in institutional priorities that drive our mission forward, including the construction of the new Meltzer Center for Athletic Performance and the Sport Center Annex, slated for completion this year.

Key highlights of the FY26 budget include:

- 1. Financial Aid:** Significant additional investments in institutional financial aid to ensure AU remains accessible and affordable for talented students from all backgrounds

2. **Mission-Focused Growth:** Continued investment in the new strategic plan, including research initiatives, innovative academic offerings, faculty support, student services, and athletics
3. **Structural Realignments:** More than \$82 million in realignments achieved through collaboration and creativity throughout our community, including new and enhanced revenue streams, operational efficiencies, and workforce optimization measures
4. **Workforce Realignments:** Measures that minimized the impact on our people by leveraging voluntary retirement incentives, vacancy savings, and benefits modernization to achieve budget objectives—a testament to our shared commitment to the AU community
5. **Budget Mitigation Measures:** Additional temporary budget adjustments totaling \$30 million to address further enrollment shifts and increased expenditures

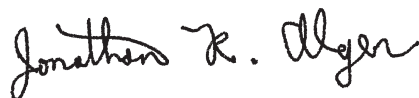
The FY26 budget embodies our collective effort and shared responsibility for solving resource challenges in a collaborative manner

The Path Forward

While the FY26 budget represents significant progress, our work continues. The volatility of the higher education sector will require ongoing assessment and strategic decision-making in upcoming budget cycles. However, the FY26 budget is an essential step toward adapting to rapidly shifting operating conditions.

Widespread community consultation was essential to achieving this balanced budget. We remain committed to transparency and deeply appreciate the collaboration, creativity, and dedication demonstrated by faculty, staff, and students throughout this process. The FY26 budget embodies our collective effort and shared responsibility for solving resource challenges in a collaborative manner.

We are grateful to the entire AU community—including the cabinet, the University Budget Committee, the Board of Trustees' University Resources Committee—for your partnership and your commitment to AU's inspiring future.



Jonathan R. Alger



Bronté Burleigh-Jones

BUDGET HIGHLIGHTS

Enrollment Projections	<p>First-year incoming student goals of 1,950 in fall 2025</p> <p>Graduate credit hour goal of 19,906 from traditional and online programs in fall 2025</p> <p>Law full-time student goal of 1,049 in fall 2025</p>
Tuition for Enrollment Categories	<p>4.0 percent increase for FY26 in undergraduate categories</p> <p>4.0 percent increase for FY26 in graduate categories</p> <p>4.0 percent increase for FY26 for law students</p> <p>Modernization of student fee structure and alignment of rates with services provided</p>
Residence Halls	4.5 percent average increase for FY26
Meal Plan	4.5 percent increase for FY26
Total Tuition, Mandatory Fees, Residence Hall, and Meal Plan Rates	5.3 percent increase for FY26
Unrestricted Gifts	\$3.2 million target in FY26
Investment Income	\$6.0 million target in FY26
Indirect Cost Recovery	\$4.1 million target in FY26
Endowment Income	\$32.6 million target in FY26, including additional endowment draw to support undergraduate financial aid
WAMU-FM	\$32.3 million target in FY26

<p>Financial Aid</p>	<p>6.6 percent increase in undergraduate financial aid, exceeding the rate of the total tuition, fees, room and board increase.</p> <p>Discount rate increased to 38.9 percent of undergraduate tuition and mandatory fees</p> <p>Graduate financial aid based on the propensity-to-enrollment model</p> <p>Law financial aid aligned with enrollment targets</p>
<p>Other Operating Expenses</p>	<p>Strictly required expense increases only for property insurance, utilities, dining programs, residence halls, capital expenditures, contractual obligations, technology system replacements, and the annual DC minimum wage adjustment</p>
<p>Technology Capital Funding</p>	<p>Investments in the campus technology portfolio, and customer relationship management (CRM) and content management system (CMS) replacements, to be partially funded with a transfer from the technology reserve</p>
<p>Workforce Realignments</p>	<p>Implementation of Voluntary Retirement Incentive program (VRIP) with limited backfill</p> <p>Elimination of vacant positions and unobligated position funding across the organization</p> <p>Streamlining of organizational redundancies to better align our workforce with strategic initiatives and organizational demand</p>
<p>Benefits</p>	<p>Modernization of health benefits through a tiered, progressive premium structure, a high-deductible plan option, and plan calibrations gained from competitive bidding and vendor review</p>
<p>Programmatic Expense Realignments</p>	<p>Savings from the consolidation of academic, student and campus activity programming, endowment management efficiencies, facilities modernization project optimization, online program restructuring, and the streamlining of course section offerings</p>
<p>Operational Expense Realignments</p>	<p>Operating expense realignments across all university divisions, including contractual expenses (cleaning, mail services, storage, legal), technology services, facilities maintenance, debt service management, and operational and administrative budget reductions (supplies, printing, postage, travel, subscriptions, advertising)</p>
<p>Reserve Transfers to Support University Initiatives</p>	<p>\$16 million to be transferred from reserves to support financial aid, critical university initiatives, and our technology infrastructure</p>

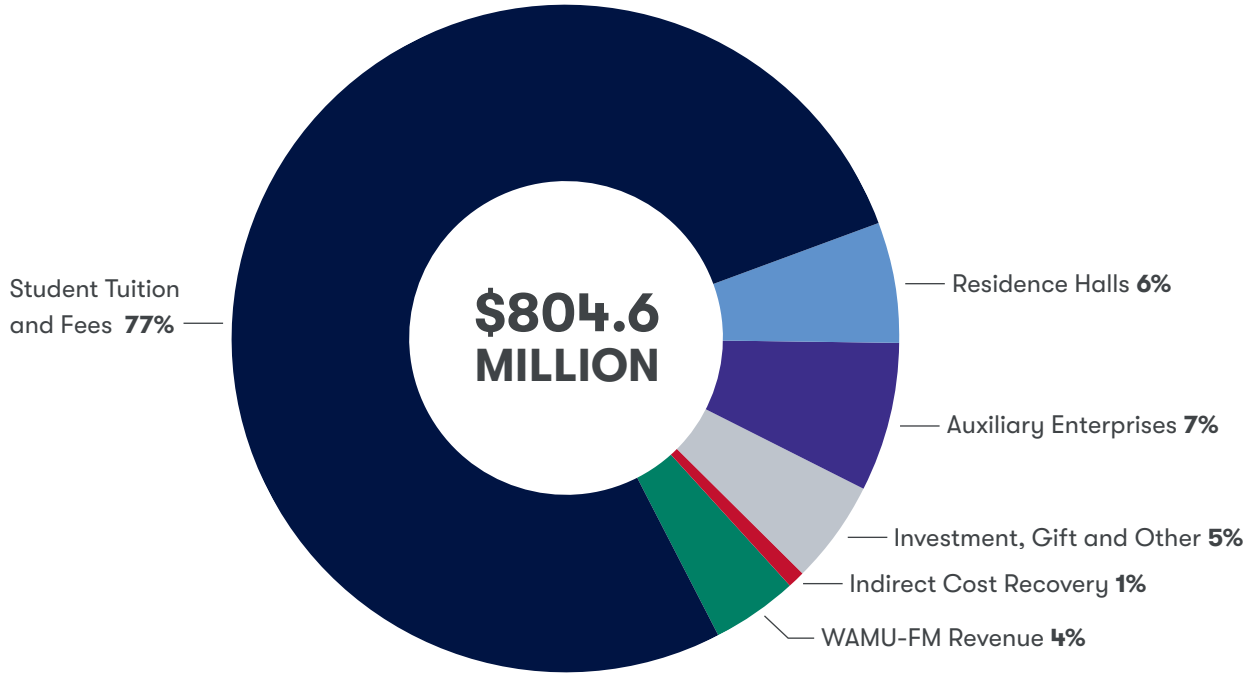
FISCAL YEAR 2026

SUMMARY NET REVENUE AND EXPENDITURE BUDGET

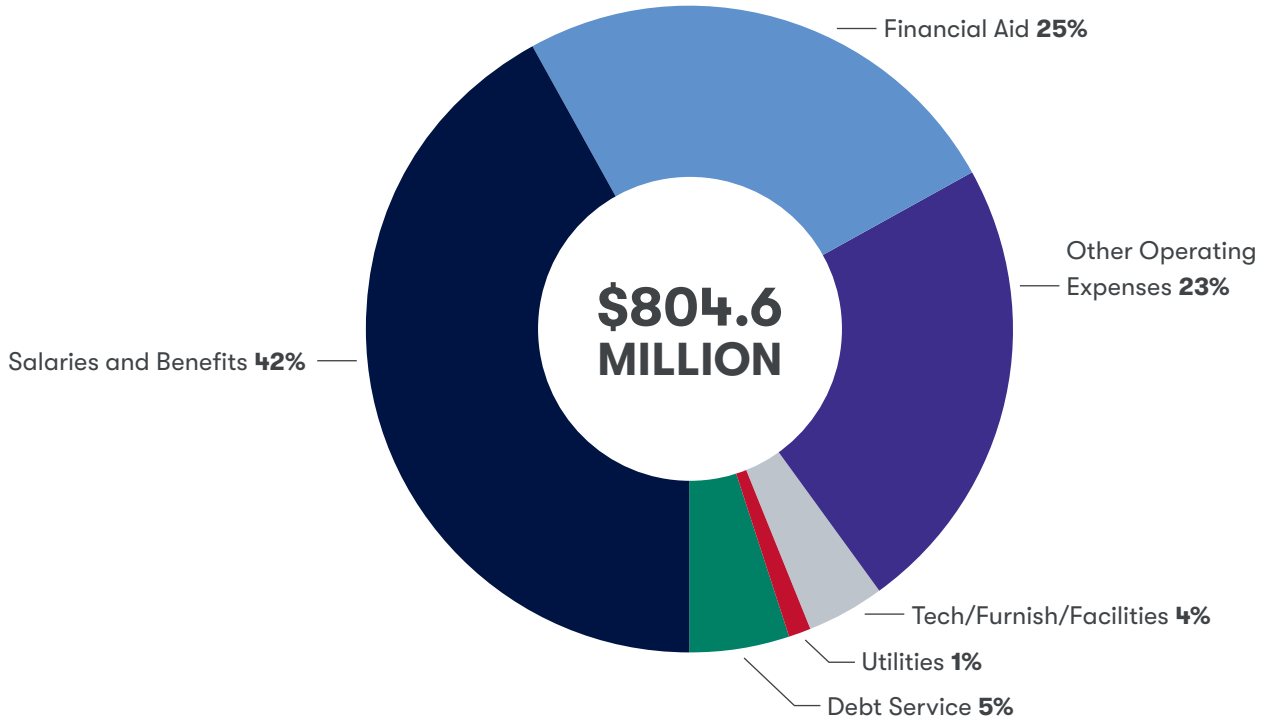
	FY2025 Budget	Budget Change	FY2026 Budget	FY2025 to FY2026 % Change
REVENUE (\$000s)				
Student Tuition and Fees	\$647,035	(\$25,034)	\$622,001	(3.9%)
Less Financial Aid	(197,577)	(2,767)	(200,343)	1.4%
Net Student Tuition and Fees	449,459	(27,801)	421,658	(6.2%)
Residence Halls	46,220	5,059	51,279	10.9%
Auxiliary Enterprises	53,756	1,360	55,116	2.5%
Investment Income	9,000	(3,000)	6,000	(33.3%)
Unrestricted Gifts	1,200	2,000	3,200	166.7%
Indirect Cost Recovery	4,500	(400)	4,100	(8.9%)
Endowment Income	31,129	1,500	32,629	4.8%
WAMU-FM	32,400	(2,075)	30,325	(6.4%)
Total Net Revenue	\$627,663	(\$23,358)	\$604,305	(3.7%)
Total Gross Revenue	\$825,240	(\$20,591)	\$804,649	(2.5%)
EXPENDITURES (\$000s)				
Faculty and Staff Salaries	\$258,808	(\$13,979)	\$244,829	(5.4%)
Adjunct Faculty Salaries	8,981	1,563	10,544	17.4%
Part-time Staff	18,602	632	19,234	3.4%
Employee Benefits	75,646	(6,417)	69,229	(8.5%)
Salaries and Benefits	\$362,036	(\$18,200)	\$343,836	(5.0%)
Other Operating Expenses	177,047	4,806	181,853	2.7%
Library Acquisitions	9,416	(907)	8,510	(9.6%)
Utilities	11,171	967	12,138	8.7%
Technology Capital Funding	23,463	(3,895)	19,568	(16.6%)
Deferred Maintenance (Including Residence Halls)	15,419	(3,000)	12,419	(19.5%)
Furnishings and Equipment Fund	1,000	(500)	500	(50.0%)
Facilities Modernization Fund	6,000	(3,000)	3,000	(50.0%)
Debt Service	40,772	(2,300)	38,472	(5.6%)
Transfer to Fund Strategic IT Investments	(5,461)	4,472	(989)	(81.9%)
Investments: Enrollment Reserve Transfer	(13,200)	(1,800)	(15,000)	13.6%
Total Expenditures	\$627,663	(\$23,358)	\$604,305	(3.7%)
Net Surplus/(Deficit)	\$0	\$0	\$0	

REVENUE AND EXPENDITURE BUDGET

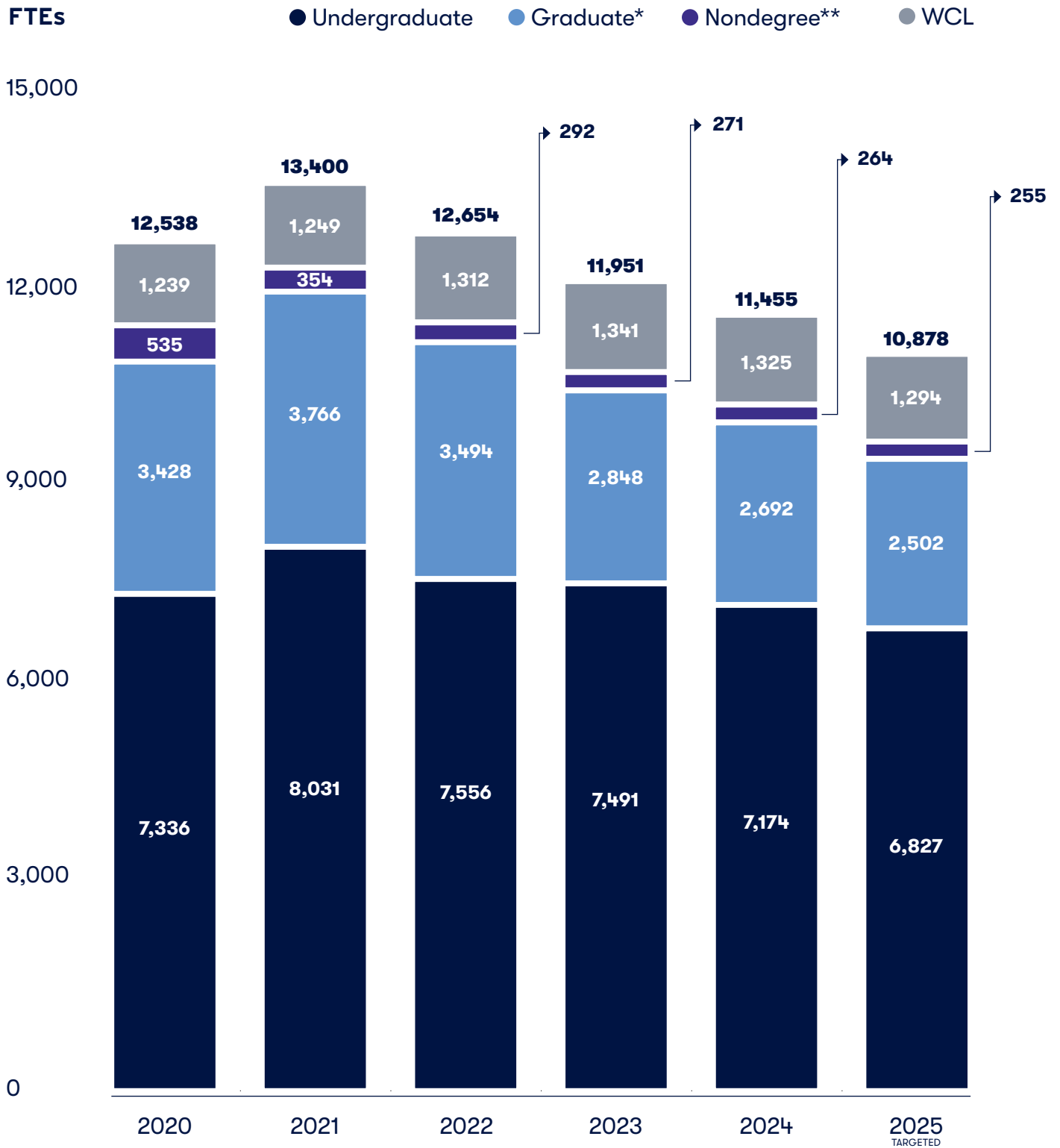
REVENUE



EXPENSE



FALL FULL-TIME EQUIVALENT ENROLLMENT



Source: Office of Institutional Research and Assessment, data as of the 6th week of the semester (Census Date).

*Graduate includes online programs

**Non-degree includes International Accelerator Program and Master's Accelerator Program

OVERALL TUITION, MANDATORY FEES, ROOM, AND BOARD

OVERALL TUITION, FEES, ROOM, AND BOARD	FY25	FY26	FY25–26 Change
Undergraduate Tuition	\$57,952	\$60,270	4.0%
Mandatory Fees	819	1,722	110.3%
Housing—Double Room (Including Residence Hall Association Fee)	11,820	12,352	4.5%
All-Inclusive Plus Plan with 100 Dining Dollars (For First-Years)	6,058	6,330	4.5%
Total Academic Year Cost	\$76,649	\$80,674	\$4,025
Overall Percentage Change			5.3%

TUITION RATES: FALL AND SPRING SEMESTERS	FY25	FY26	FY25–26 Change
Full-time Undergraduate (Semester)	\$28,976	\$30,135	4.0%
Part-time Undergraduate and Nondegree (Credit Hour)	1,930	2,007	4.0%
Graduate and Nondegree (Credit Hour)	2,000	2,080	4.0%
Washington College of Law (Semester)	32,207	33,495	4.0%
Washington College of Law (Credit Hour)	2,386	2,481	4.0%

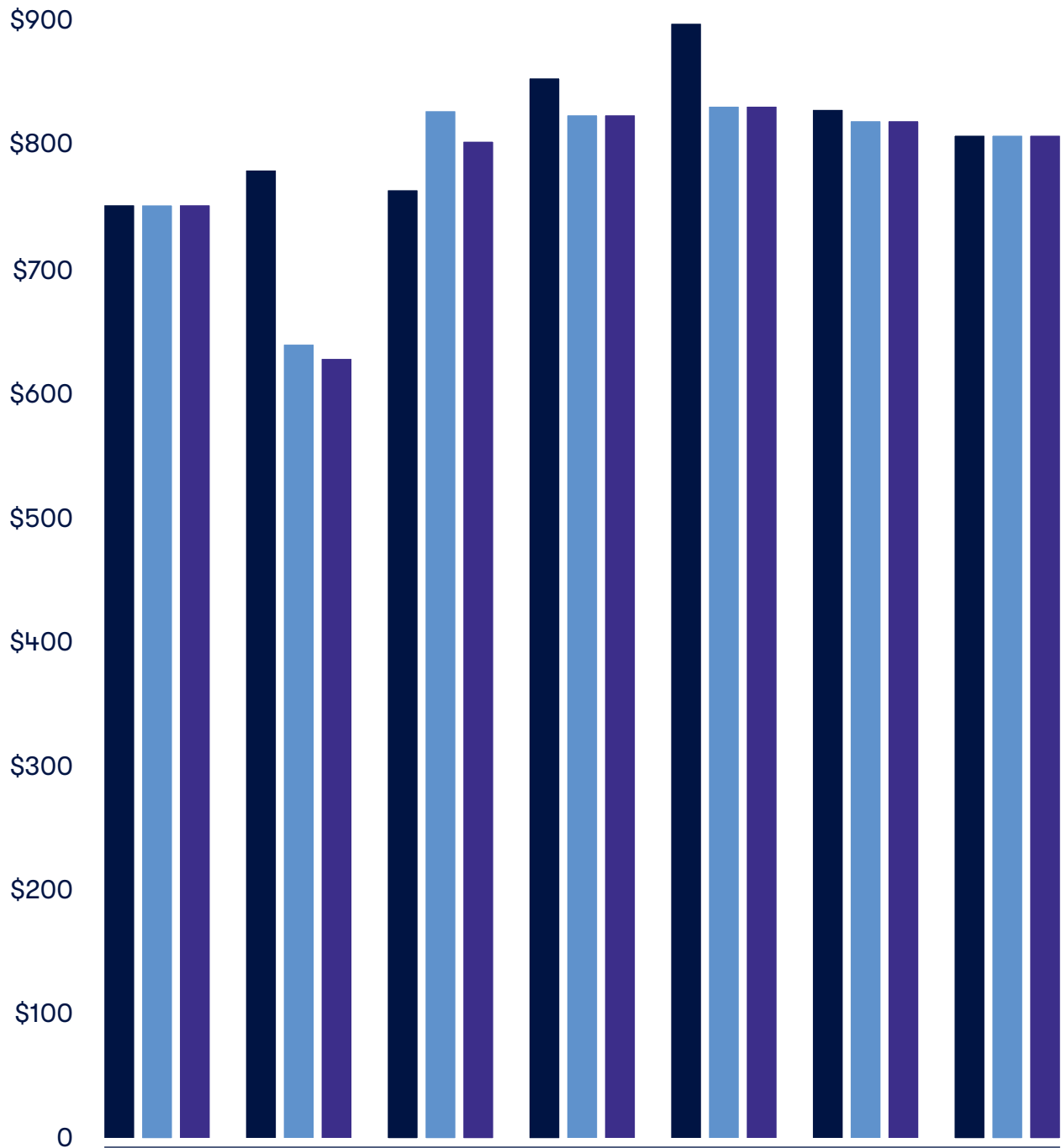
TUITION RATES: SUMMER SEMESTERS (PER CREDIT HOUR)	Summer 2025	Summer 2026	SU25–SU26 Change
Undergraduate	\$1,930	\$2,007	4.0%
Graduate	2,000	2,080	4.0%
Washington College of Law	2,386	2,481	4.0%

STUDENT HOUSING (PER SEMESTER)	FY25	FY26	FY25–26 Change
Hughes and Roper Single Occupancy	\$7,250	\$7,575	4.5%
Hughes and Roper Double Occupancy	5,670	5,925	4.5%
Hughes and Roper Triple Occupancy	4,240	4,430	4.5%
Anderson, Letts, Leonard, McDowell Single Occupancy	7,350	7,680	4.5%
Anderson, Letts, Leonard, McDowell Double Occupancy	5,760	6,020	4.5%
Anderson, Letts, Leonard, McDowell Triple Occupancy	4,310	4,505	4.5%
Cassell Hall Single Occupancy	8,510	8,895	4.5%
Cassell Hall Double Occupancy	7,050	7,365	4.5%
Nebraska Hall Single Occupancy	8,600	8,985	4.5%
Nebraska Hall Double Occupancy	7,120	7,440	4.5%
Centennial Hall Single Occupancy	8,270	8,640	4.5%
Centennial Hall Double Occupancy	6,600	6,895	4.5%
East Campus Single Occupancy	8,510	8,895	4.5%
East Campus Double Occupancy	6,940	7,250	4.5%

MEAL PLAN RATES	FY25	FY26	FY25–26 Change
All-Inclusive Premium Plan with 100 Dining Dollars	\$3,310	\$3,495	4.5%
All-Inclusive Plus Plan with 100 Dining Dollars	3,029	3,165	4.5%
All-Inclusive Standard Plan with 100 Dining Dollars	2,705	2,827	4.5%
All-Inclusive Basic Plan with 300 Dining Dollars	1,950	2,038	4.5%
\$825 Build-Your-Own Plan	800	825	3.1%
\$625 Build-Your-Own Plan	595	625	5.0%

OPERATING BUDGET HISTORY

\$ Millions ● Budget ● Actual Revenue ● Actual Expense



Sources: University Budget Office and AU consolidated financial statements



AMERICAN UNIVERSITY
WASHINGTON, DC

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