



The FRIENDLIEST CAMPUS *in the* SOUTH

JAX STATE
Jacksonville State University[™]

2026-2027
Adopted Budget

SUMMARY REVENUE AND EXPENDITURE BUDGET

FISCAL YEAR 2027 – Adopted vs Adopted (Dollars in thousands)

This schedule summarizes the total revenue and expenditure budgets by operating funds.

Jacksonville State University

FY 2026-2027 Adopted Budget



Revenues

	FY27 Proposed Budget	FY27 Adopted Budget	Budget Change	% Change
Tuition and Fees	105,769,287	108,500,000	2,730,713	2.58%
State Appropriations*	65,793,021	69,079,737	3,286,716	5.00%
Athletics	12,500,000	12,500,000	-	0.00%
Other	6,750,000	6,750,000	-	0.00%
Auxiliaries	26,134,393	28,156,346	2,021,953	7.74%
Restricted Funds	8,000,000	6,000,000	(2,000,000)	-25.00%

Total Revenue

224,946,701	230,986,083	6,039,382	2.68%
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Expenses

Salaries	110,000,000	108,000,000	(2,000,000)	-1.82%
Utilities	4,635,000	4,631,912	(3,088)	-0.07%
Debt Service	16,286,849	18,174,999	1,888,150	11.59%
Scholarships	34,000,000	36,000,000	2,000,000	5.88%
Insurance	3,742,280	3,500,000	(242,280)	-6.47%
Other Expenses	28,368,073	34,717,402	6,349,329	22.38%
Auxiliaries	19,914,499	19,961,770	47,271	0.24%
Restricted Funds	8,000,000	6,000,000	(2,000,000)	-25.00%

Total Expenses

224,946,701	230,986,083	6,039,382	2.68%
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*Includes the following earmarks:

CHEER Act	-	2,536,716
Center for Applied Forensics	450,000	500,000
Center for Law Enforcement Best Practices	500,000	475,000
Center for Manufacturing Support	425,000	700,000
Economic Development Initiative	700,000	675,000
Little River Canyon Field School	475,000	450,000
Correctional Professional Training	150,000	150,000
Paint Rock Valley Genetic Research	420,000	420,000
Sweet Trails Alabama	635,000	935,000
	3,755,000	6,841,716

Revenue Variance Analysis

Tuition & Fees

The increase in Tuition & Fee revenue reflects both projected enrollment growth and approved fee adjustments for FY27. Revenue assumptions incorporate modest tuition and fee increases, continued enrollment stabilization efforts, and anticipated growth in student credit hours. These projections support the University's commitment to maintaining affordability while providing resources necessary to sustain academic quality and student success initiatives.

State Appropriations

State Appropriations increased due to the FY27 Educational Trust Fund allocation and the implementation of Alabama's new performance-based funding model under the CHEER Act. The adopted budget includes the University's recurring state appropriation increase as well as new performance funding awarded based on institutional outcomes and strategic performance measures.

Athletics

Athletics revenue increased primarily due to projected Conference USA distributions, game guarantee revenue, and additional funding dedicated to support athletics-related debt service obligations. The budget also incorporates realized ticket sales activity associated with the 2026 football season and continued growth in athletics-generated revenues.

Other Revenue

The increase in Other Revenue reflects realized investment income and planned transfers from the Jacksonville State University Foundation to support strategic institutional priorities. Revenue assumptions in this category were updated to align with actual investment performance and anticipated Foundation support.

Restricted Funds

Restricted Fund revenue reflects corrective actions associated with the University's grant self-disclosure process. The adopted budget recognizes adjustments necessary to properly align grant revenues and expenditures with federal and sponsor requirements, resulting in increased restricted activity during FY27.



Expense Variance Analysis

The FY27 Adopted Budget reflects the results of the University's comprehensive budget realignment initiative, which required divisions to identify approximately 15% reductions in operating expenses while simultaneously evaluating long-term sustainability challenges, strategic priorities, and structural funding gaps. This process allowed the University to redirect resources toward critical institutional priorities, address emerging operational requirements, and strengthen long-term fiscal sustainability. The FY27 budget also incorporates multiple strategic investments and corrective actions necessary to support compliance, compensation, enrollment growth, student success, and institutional competitiveness.

Salaries and Benefits

Salary expenditures increased primarily due to

- 2% cost-of-living adjustment (COLA)
- Compensation study initiatives continued progress
- Annualization of salary actions approved during FY26

The budget also reflects personnel adjustments associated with the grant self-disclosure corrective action plan and related supplemental staffing requirements.

Benefit cost increases were moderated as no increase in PEEHIP employer contribution rates was included in the budget, and Retirement Systems of Alabama (RSA) rate changes were minimal.



Expense Variance Analysis

Debt Service

Debt service expenditures increased, as FY27 represents the first fiscal year of principal and interest payments associated with the 2024 Bond Series.

Scholarships and Student Aid

Scholarship expenditures were increased to align with FY26 actual spending trends, particularly in Athletics. The adopted budget reflects higher Athletic Cost of Attendance requirements and expanded athletic roster sizes. While institutional scholarship expenditures increased, several initiatives are underway to reduce future pressure on institutional funding sources. These efforts include:

- Streamlining scholarship application and aid qualification processes to improve utilization of available external funding;
- Expanding Foundation-supported athletic scholarships and donor-funded aid opportunities;
- Increasing fundraising support for student assistance programs;
- Restructuring existing cash scholarship parameters to improve awarding efficiency and maximize available resources.

Insurance

Insurance expenditures reflect the University's ongoing commitment to risk management and institutional protection. The FY27 budget includes increased levels of coverage designed to minimize exposure across property, liability, cyber, and operational risks. However, the net budget impact was partially mitigated through premium reductions achieved from demonstrated risk-reduction initiatives, improved claims experience, enhanced safety practices, and loss-control measures implemented across the institution.

Expense Variance Analysis

Other Expenses

Other operating expenses increased primarily due to several strategic and externally driven initiatives, including:

- Implementation of CHEER Act-funded programs and associated operating costs;
- New revenue-sharing commitments and related programmatic support requirements;
- Strategic investments necessary to support enrollment growth, student retention, workforce development, and institutional performance outcomes;
- Compliance-related expenditures associated with corrective action plans and operational improvements identified through recent reviews.

At the same time, the budget realignment exercise required divisions to identify operating efficiencies, eliminate lower-priority expenditures, consolidate services where appropriate, and address ongoing structural budget challenges. These reductions helped offset a portion of the new expenditures while improving alignment between resource allocation and institutional priorities.

WE HAVE RECORD ENROLLMENT

The Internal Audit Department identified several opportunities to strengthen Jax State’s cash management (March 17, 2022, report) and budget processes (June 6, 2022, report). Jax State integrated planning continues ensure that resources and programs are aligned sustainably to meet strategic priorities.

Educational best practices encourage that the allocation of resources be consistent with established goals, policies, and plans. The institution’s fiscal environment will operate responsibly to achieve the following:

- Balanced Budgets**
- Positive cashflows**
- Appropriate Reserve Level**

.....Where is the money?

Fiscal Year 2026-2027

• Retirement Employer Cost	Mandatory
• PEEHIP Employer Cost	Mandatory
• Unfunded Tuition Discounts (scholarships)	Discretionary
• Contractual Obligation Increases	Discretionary
• Campus Safety Projects	Necessary
• Student Success Initiatives	Necessary
• Dual Enrollment Initiatives	Necessary
• Compensation Initiatives	Necessary
• Right-sizing the budget	Necessary

Overview

Internal Audit reviewed fiscal year 2025 and 2026 expenditures to determine the percentage of total expenditures attributable to each Cabinet division and analyzed expenditure trends from 2022 through 2026.

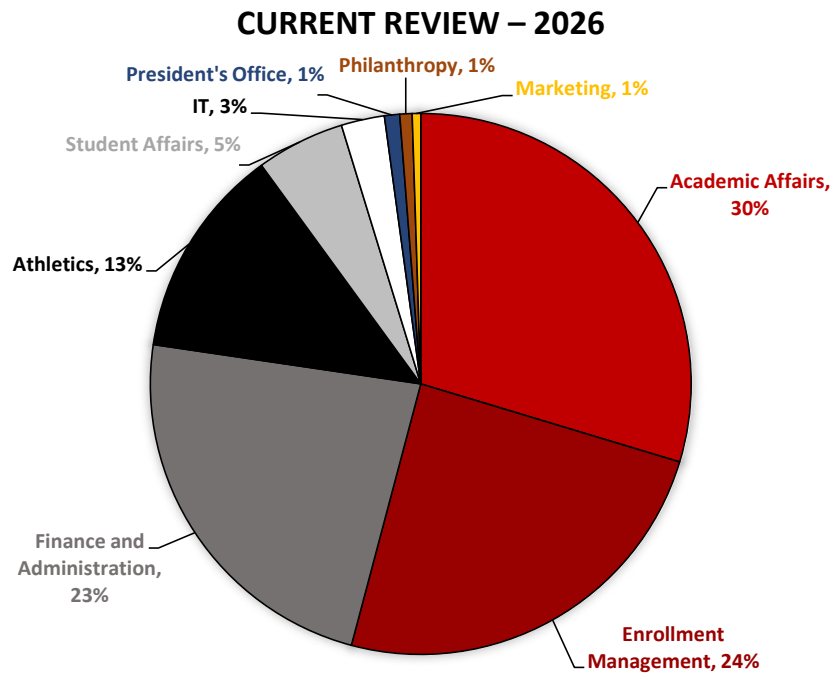
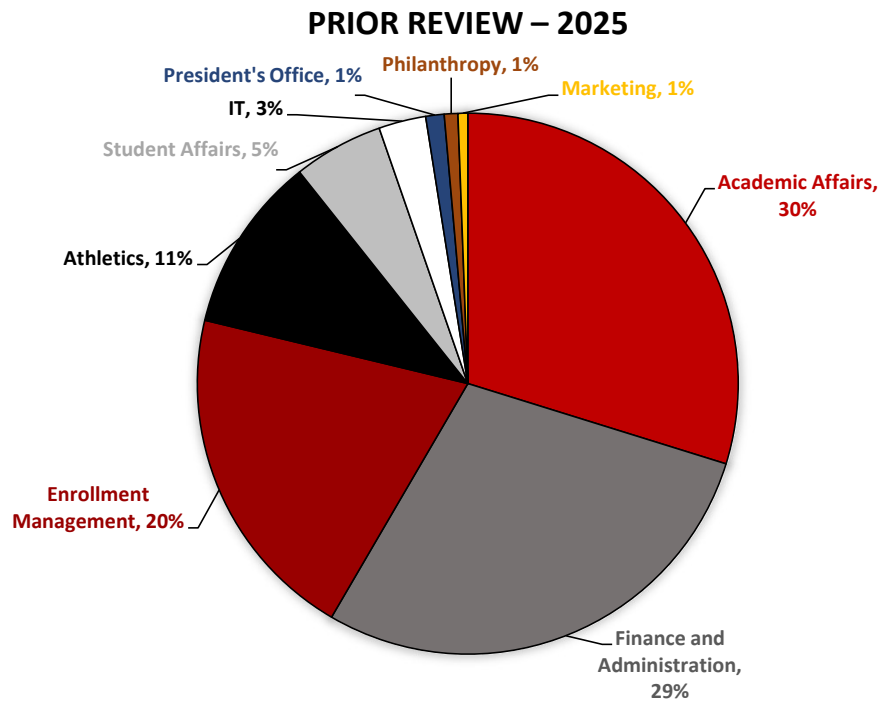
In 2026, approximately 66% of expenditures were directed toward student-focused functions, including Academic Affairs, Enrollment Management, Student Affairs, and Athletics. Finance and Administration represented approximately 29% of expenditures, while IT, the President's Office, Philanthropy, and Marketing collectively represented approximately 6%.

The trend analysis identified the following:

- **Academic Affairs:** Expenditures increased approximately 28%, from \$71.3 million in 2022 to \$91.1 million in 2026, demonstrating continued investment in the University's instructional mission and Faculty.
- **Athletics:** Expenditures increased approximately 89%, from \$20.5 million in 2022 to \$38.9 million in 2026, reflecting the University's transition from FCS to FBS competition. Athletics experienced the largest percentage growth among the divisions analyzed, including a 23% increase from 2025 to 2026.
- **IT:** Expenditures decreased approximately 12%, from \$9 million in 2022 to \$7.9 million in 2026, while remaining relatively stable overall.
- **The President's Office:** Expenditures increased approximately 5%, from \$2.7 million in 2020 to \$2.8 million in 2026.

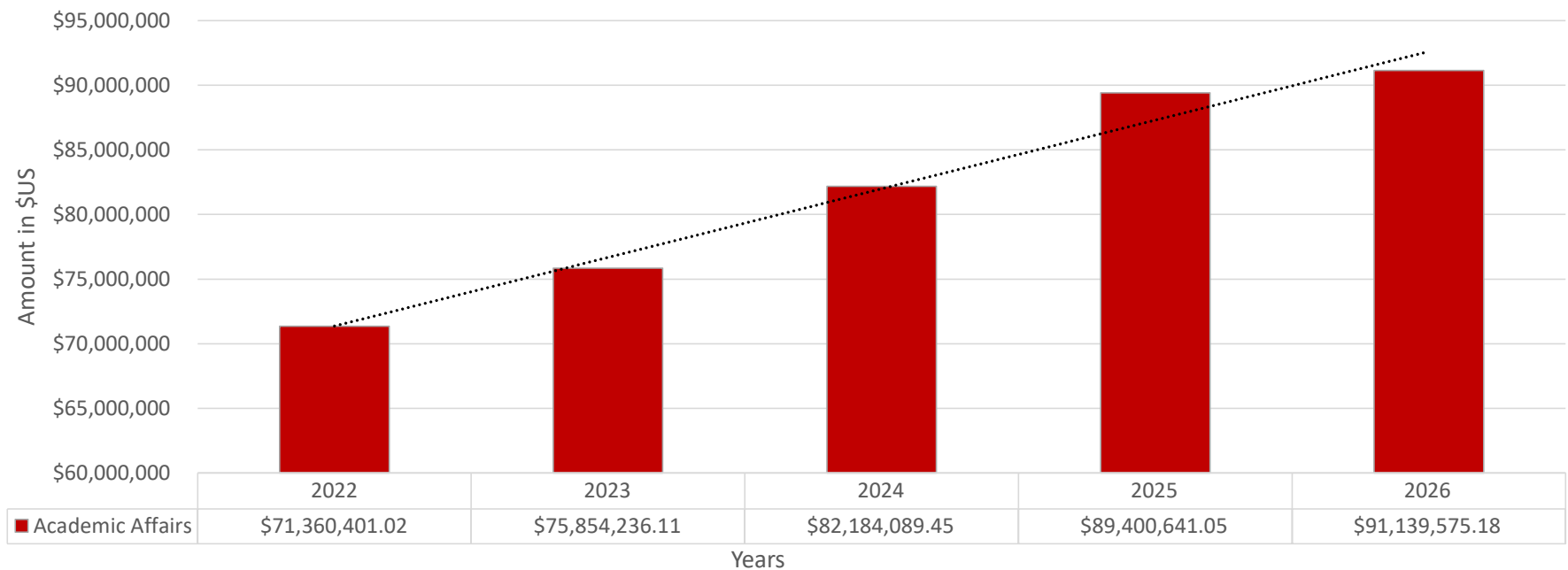
Overall, the trend analysis shows sustained expenditure growth in Academic Affairs and Athletics, while expenditures related to IT and the President's Office remained relatively stable.

Expense By Division



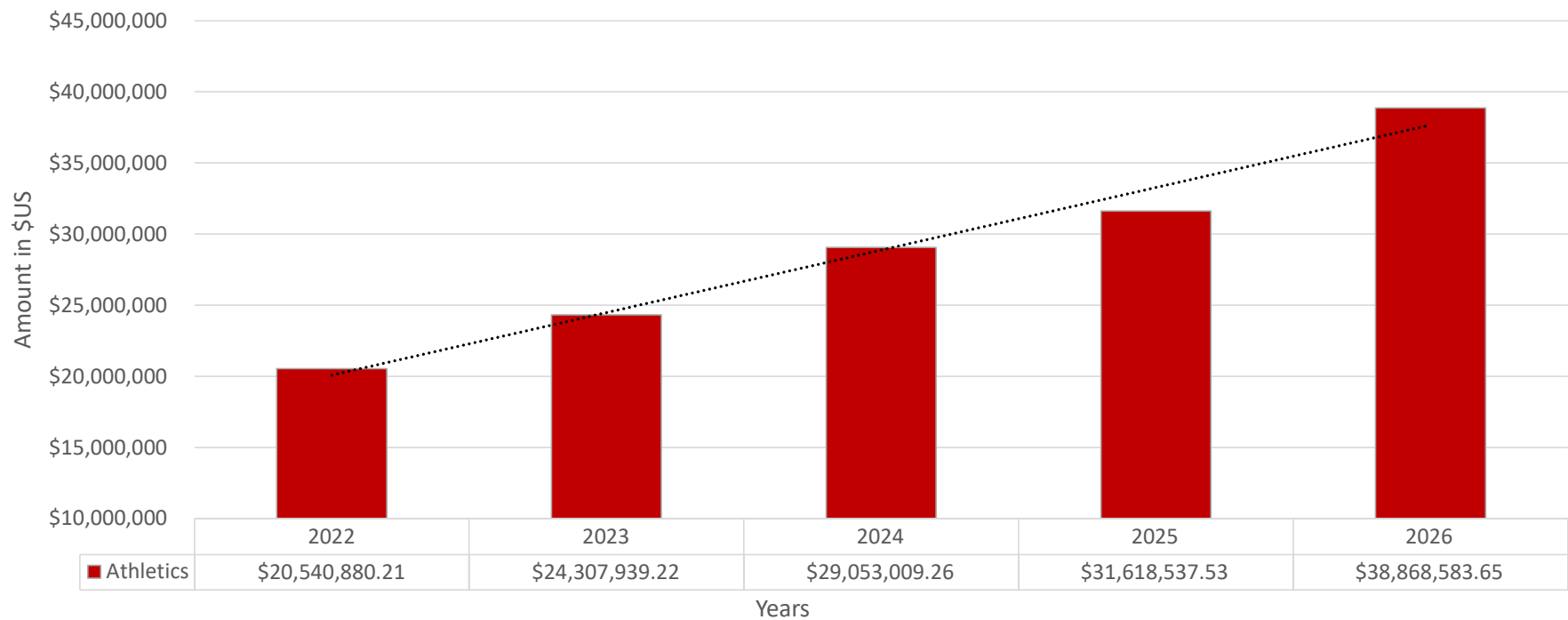
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Academic Affairs Expense Trend 2022-2026



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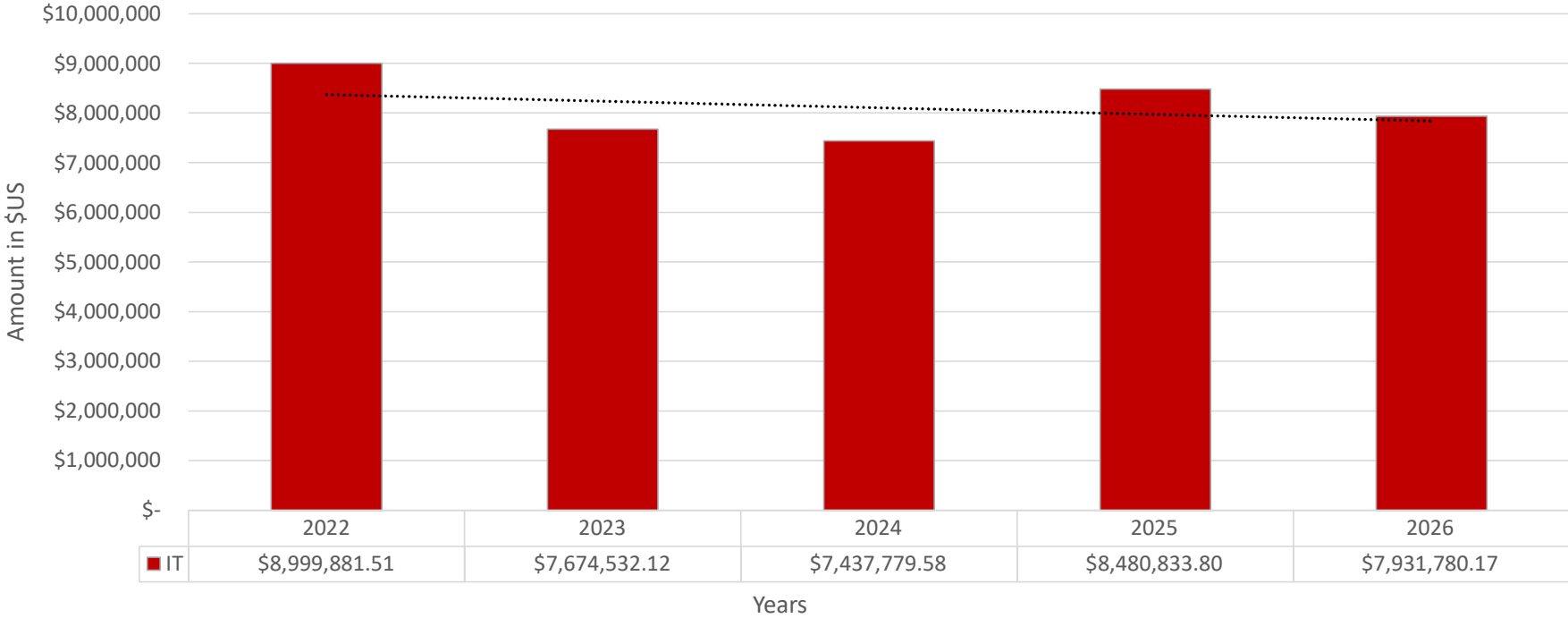
Athletics Expense Trend 2020-2026



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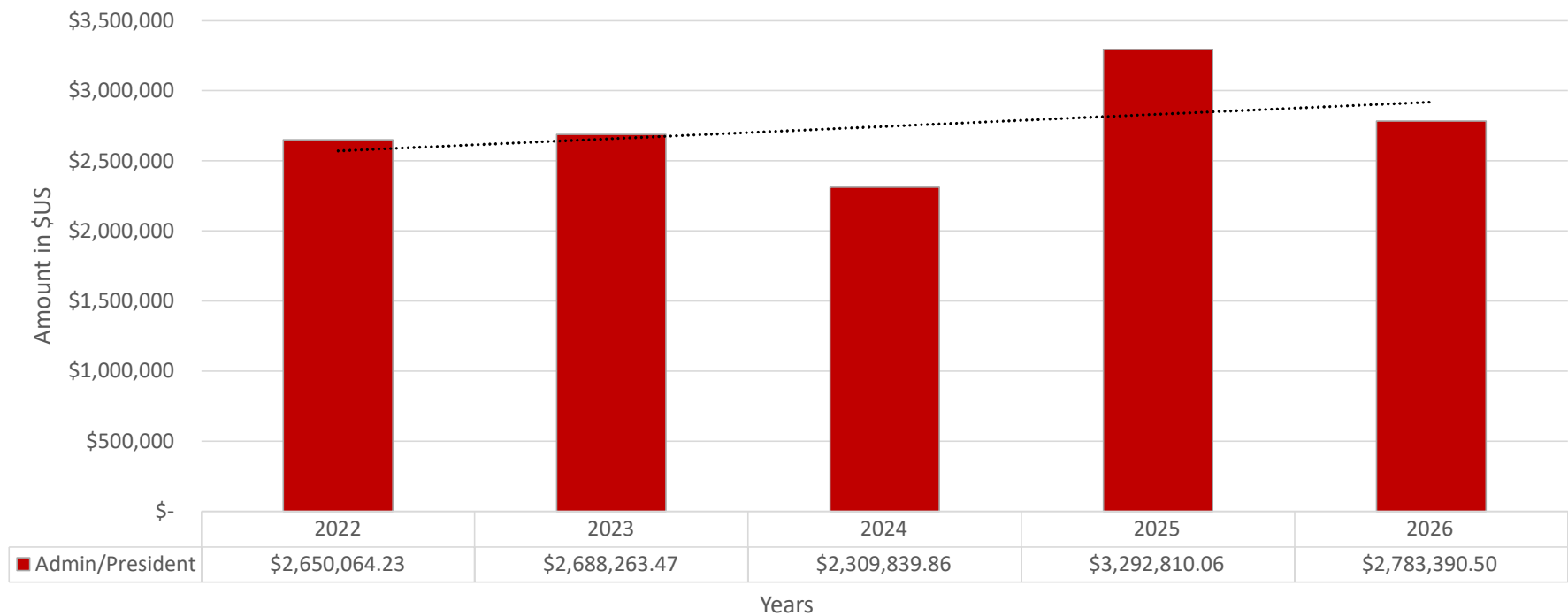
Building & Finance Committee - 17

Technology Expense Trend 2020-2026



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The President's Office Expense Trend 2020-2026



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