

ADDITIONAL INFORMATION

COST IMPROVEMENT INITIATIVE

A cost improvement of 5% of Unrestricted Direct Expense was included in each management center's guideline target. The cost improvement was established to provide a reserve to mitigate possible changes in Federal policy that may occur in 2026. As a result, the 2026 Operating Budget includes a \$9.5 million reserve for such initiatives.

PLANT

Vacated Space Plant Charge: CAS, DENT and NURS vacated certain areas within the campus during 2025. The direct plant allocation associated with the vacancies was eliminated from the Plant expense allocation. Traditionally, vacated space would be added to the Administrative Space Category and allocated based on a two year average of Direct Expense. However, the allocation did not occur in 2026. The expense associated with the vacated space remained in UGEN.

UNDERGRADUATE TUITION

Undergraduate Tuition Contingency: An Undergraduate Tuition Contingency of \$3.0 million is reflected in the Undergraduate Tuition allocation in 2026. If realized at year end, the contingency will be utilized by the provost for strategic initiatives related to Undergraduate serving management centers. Also, funding for student advising initiatives of \$0.83 million is also reflected in the Undergraduate Tuition allocation for 2026. This expense is located in the Student Services budget.