

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2025 - 49**

SUBJECT: APPROVAL OF A PROPOSED FY2026 OPERATING BUDGET AMENDMENT #2

WHEREAS, pursuant to D.C. Code §38-1202.06(4), the Board of Trustees (“Board”) of the University of the District of Columbia (“University”) is “required to prepare and submit to the Mayor an annual budget request for each fiscal year”; and

WHEREAS, pursuant to 8B DCMR §400.2, the President of the University shall prepare an operating budget for Educational and General activities of the University, and an operating budget for Auxiliary Enterprise operations of the University; and

WHEREAS, pursuant to 8B DCMR §400.1, the Board shall approve all budgets for expenditures of the institutions of the University and, pursuant to 8B DCMR §400.4, any expansion in operations that would necessitate any substantial change in the approved budget shall be submitted to the Board for its approval; and

WHEREAS, pursuant to UDC Resolution No. 2023-45, the Board approved a proposed budget request for Fiscal Year 2026 for the University (“Proposed FY2026 Budget and Financial Plan and Capital Budget Request”), which request was then submitted to the Government of the District of Columbia (“D.C. Government”) for inclusion in its draft FY2026 Proposed Budget and Financial Plan; and

WHEREAS, The Board approved the FY2026 Operating Budget Amendment #1 under UDC Resolution No. 2025-48, which increased UDC’s local appropriated subsidy by \$2,378,431.00 to restore original FY2026 MARC reductions.

WHEREAS, the Mayor issued a directive that the University must submit a mid-year reduction to its FY2026 appropriation from the District in the amount of Two Million Nine Hundred and Eighty-Two Thousand Six Hundred and Ninety-Eight Dollars and No Cents (\$2,982,698), requiring a reduction of this amount in the University’s FY2026 operating budget; and

WHEREAS, the proposed FY2026 Operating Budget Amendment #2 is reflective of the projected revenues, consistent with the prudent fiscal and accounting practices, and is in line with the President’s and the Board’s vision for the University.

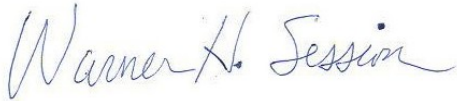
NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the proposed FY2026 Operating Budget request, as amended to incorporate the FY2026 Operating Budget Amendment Request #2 attached hereto as **Exhibit A**.

Submitted by the Audit, Budget & Finance Committee:

December 10, 2025

Approved by the Board of Trustees:

December 10, 2025

A handwritten signature in blue ink that reads "Warner H. Session". The signature is written in a cursive, flowing style.

Warner H. Session
Chairperson of the Board

Exhibit A

FY2025 Operating Budget Amendment #2

MEMORANDUM

TO: Board of Trustees – Audit, Budget, and Finance Committee

FROM: David Franklin, Chief Operating Officer

DATE: December 10, 2025

SUBJECT: FY2026 Operating Budget Amendment 2

FY2026 OPERATING BUDGET AMENDMENT 2

The University of the District of Columbia Administration presents its FY2026 Operating Budget Amendment #2 request for Board of Trustees approval.

The FY2026 Operating Budget Amendment #2 reflects a decrease in the University’s unrestricted budget. Details of the adjustments – as compared to the original submission of the FY2026 budget request in November 2024 – are shown below in **Figure 1**.

Figure 1

FY26 Unrestricted Revenue				
<i>Revenue Sources</i>	<i>FY26 BOT Approved Budget November 2024</i>	<i>FY26 Budget - Amendment #1 September 2025</i>	<i>FY26 Budget - Amendment #2 December 2025</i>	<i>FY26 Proposed Amended Budget</i>
Local Appropriated Subsidy	97,044,839	2,378,431	(2,982,698)	96,440,572
Tuition	24,845,500			24,845,500
Postsecondary	10,775,000			10,775,000
Fund Balance	16,000,000			16,000,000
Spendable Endowment	2,500,000			2,500,000
Indirect Cost	1,600,000			1,600,000
Total Unrestricted Revenue	152,765,339	2,378,431	(2,982,698)	152,161,072

FY26 Restricted Revenue				
<i>Revenue Sources</i>	<i>FY26 BOT Approved Budget November 2024</i>	<i>FY26 Budget - Amendment #1 September 2025</i>	<i>FY26 Budget - Amendment #2 December 2025</i>	<i>FY26 Proposed Amended Budget</i>
DC Agencies	8,585,000			8,585,000
Federal Grants	64,950,000			64,950,000
Private Grants	1,250,000			1,250,000
Restricted Endowment	53,825			53,825
Total Restricted Revenue	74,838,825	0	0	74,838,825
Total Unrestricted & Restricted Revenue	227,604,164	2,378,431	(2,982,698)	226,999,897

FY2026 Budget Decrease Summary

In total, the FY26 Operating Budget Amendment #2 includes a net decrease of (\$2,982,698) to the University's operating budget, decreasing the University's total operating budget from \$230.0 million to \$227.0 million.

FY2026 Unrestricted Budget Decrease Summary

Budget Amendment #2 includes one modification to the unrestricted budget:

- Local Appropriated Subsidy operating budget adjustment
 - Per the Mayor's requirement as part of the FY2027 budget development cycle, the University was required to submit a plan to reduce its FY2026 budget at mid-year by (\$2,982,698).

In total, the FY2026 unrestricted budget modifications total (\$2,982,698), decreasing the unrestricted budget from \$155.1 million to \$152.2 million.



Fiscal Impact Statement

TO: Board of Trustees

FROM: Managing Director of Finance

For David Franklin

DATE: December 10, 2025

SUBJECT: FY2026 Operating Budget Amendment #2

Conclusion

The fiscal impact of the FY2026 Operating Budget Amendment #2 is a net decrease of **(\$2,982,698)** to the University's unrestricted operating budget.

Background

The University develops a proposed operating budget on an annual basis. The annual budget development and budget approval cycle extends over a year-long period. The University submitted its original FY2026 proposed operating budget to the Board in November 2024. The Board approved the proposed FY2026 total operating budget of \$227,604,164 under UDC Resolution No. 2023-45.

At the close of an annual budget cycle, budget amendments are required to address funds added or removed during the budget development process. The Board approved the FY2026 Operating Budget Amendment #1 under UDC Resolution No. 2025-48, which increased UDC's local appropriated subsidy by \$2,378,431.00 to restore original FY2026 MARC reductions.

Upon the commencement of the FY2027 budget development cycle, the University was informed that the Office of the Mayor was requiring an FY2026 mid-year reduction to UDC's local appropriated subsidy "to address the long-term budget constraints facing the District".

Financial Impact

Unrestricted Budget Adjustments

The Mayor decreased the local appropriated subsidy in the amount of **\$2,982,698.00**. This modification reflects a net decrease in the University's total operating budget from \$230M to \$227M.

While the University has made every effort to ensure that this reduction would not impact core operations, it does present a financial challenge to the institution. The University has sought to mitigate the effects of this challenge by seeking operational efficiencies, delaying expenditures, and turning to alternative funding sources (such as its federal Title III grants), where permissible, to support strategic priorities.