



Alabama Commission on Higher Education

December 23, 2024

The Honorable Kay Ivey
Governor of Alabama State
State Capitol
600 Dexter Avenue
Montgomery, Alabama 36130

Dear Governor Ivey,

On behalf of the Alabama Commission on Higher Education, I am pleased to submit the Consolidated Budget Recommendation for Fiscal Year 2025-2026. This document reflects our continued commitment to advancing the state's higher education system, fostering student success, and contributing to Alabama's economic and social prosperity.

This year's recommendation is a collaborative effort with our public colleges and universities, ensuring alignment with the state's educational and workforce priorities. It emphasizes strategic investments to enhance academic programs to meet emerging workforce demands, support research and innovation that drive economic development, and maintain the operational excellence of our institutions.

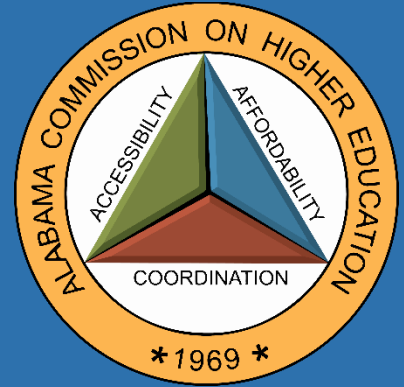
We greatly appreciate your continued support and leadership in championing higher education. Please do not hesitate to contact me if you require additional information or clarification regarding the enclosed budget recommendation.

Sincerely,

Dr. Jim Purcell
Executive Director

cc:

Senator Arthur Orr, Chair, Senate Finance and Taxation-Education Committee
Representative Danny Garrett, Chair, House Ways and Means-Education Committee
Director Bill Poole, Alabama Department of Finance
Director Othni Lathram, Legislative Services Agency
Director Nick Moore, Education Policy Advisor and Coordinator, Governor's Office
of Education and Workforce Transformation



**Alabama Commission
on Higher Education**

**Consolidated Budget
Recommendation Report
FY 2025-2026**

"The Commission shall receive, evaluate and coordinate budget requests for the public institutions of higher education of this state, shall hold open hearings on the budget requests of the separate institutions and shall present to each institution and to the Governor and the Legislature, a single unified budget report containing budget recommendations for separate appropriations to each of the institutions. The consolidated budget and analysis of the Commission shall be accompanied by the original requests and their justifications as submitted by each institution. The recommendations of the commission shall be derived directly from its assessment of the actual funding needs of each of the universities, as presented to it by the presidents, which assessment may include, but shall not be limited to, derived conclusions that may be based upon standard techniques of objective measurement, need and unit cost figures arrived at through the use of comparative and verified data secured from the various institutions, applied in an impartial and objective manner, and comparison shall be made not only between similar functions of institutions in Alabama but also between Alabama institutions and similar functions of institutions located in other states, provided that nothing herein shall be construed to prohibit any institutions of higher education in this state from submitting any matter pertaining to the financial operation and needs of said institution to the Legislature or to the Governor at any time."

Alabama Code §16-5-9(b) (1975)

Consolidated Budget Recommendation by the Alabama Commission on Higher Education

As prescribed by Section 16-5-9(b) of the Code of Alabama, the Alabama Commission on Higher Education has evaluated the budgets submitted by the senior public institutions of higher education and by the Chancellor of the community and technical colleges. At the Commission meeting on December 13, 2024, the Commission approved the funding recommendation for higher education for Fiscal Year (FY) 2025-2026.

The recommendation, identified as the FY 2025-2026 Recommendation, provides an overall appropriation increase of slightly over six percent (6.29%) from the Education Trust Fund (ETF) for public colleges and universities.

The Commission recommends a funding level of \$2,250,403,662 for all public colleges and universities. The recommendation is based on the following identified needs:

- (1) Develop budget recommendations based on higher education's share of the Education Trust Fund (ETF), which has historically been 25% to 27%.
- (2) Address personnel and salary concerns, including salaries to retain and attract faculty and staff as well as address issues with salary compression.
- (3) Provide assistance for increased mandatory costs related to retirement and insurance.
- (4) Fund ongoing inflationary costs, such as utilities and technology upgrades.
- (5) Support capital assets to address deferred maintenance, building construction, and building renovation.

The Commission also includes recommendations for other lines not directly associated with a public college or university. The amount of new money being recommended for these state level lines is \$11,618,073.

This brings the total increase in new funds needed for the recommendation to \$144,729,275 or an increase of six percent (6%).

The total amount recommended for higher education from the Education Trust Fund is \$2,556,883,847.

Fiscal Year 2025-2026 Consolidated Budget Recommendation

Institution	FY 2024-2025	FY 2025-2026	% Increase Requested	FY 2025-2026	FY 2025-2026	% Change CBR
	Appropriation	Institutional EBO Request		Consolidated Budget Recommendation	Amount CBR Increase	
Alabama A&M University	57,304,433	71,366,345	24.54%	61,242,443	3,938,010	6.87%
Alabama State University	62,783,930	67,315,683	7.22%	66,512,412	3,728,482	5.94%
Athens State University	21,741,509	24,696,858	13.59%	23,264,674	1,523,165	7.01%
Auburn University	355,844,105	390,735,372	9.81%	377,129,459	21,285,354	5.98%
Auburn University at Montgomery	33,112,856	35,752,691	7.97%	35,178,559	2,065,703	6.24%
Jacksonville State University	57,283,222	63,806,376	11.39%	61,696,928	4,413,706	7.71%
Troy University	81,246,926	104,075,000	28.10%	85,929,812	4,682,886	5.76%
University of Alabama	248,302,456	268,649,829	8.19%	265,444,683	17,142,227	6.90%
University of Alabama at Birmingham	393,173,000	424,800,542	8.04%	419,485,867	26,312,867	6.69%
University of Alabama in Huntsville	72,681,686	143,932,879	98.03%	77,196,566	4,514,880	6.21%
University of Montevallo	30,680,750	33,633,825	9.63%	32,440,002	1,759,252	5.73%
University of North Alabama	53,189,628	66,025,000	24.13%	56,309,257	3,119,629	5.87%
University of South Alabama	161,458,465	181,904,311	12.66%	171,243,355	9,784,890	6.06%
University of West Alabama	30,515,149	33,915,000	11.14%	32,444,912	1,929,763	6.32%
Total Universities	1,659,318,115	1,910,609,711	15.14%	1,765,518,930	106,200,815	6.40%
Total Community Colleges	457,974,345	536,220,063	17.09%	484,884,732	26,910,387	5.88%
Total Public Institutions	2,117,292,460	2,446,829,774	15.56%	2,250,403,662	133,111,202	6.29%
All State-Level Programs	294,862,112	349,942,536	18.68%	306,480,185	11,618,073	3.94%
Total	2,412,154,572	2,796,772,310	15.94%	2,556,883,847	144,729,275	6.00%

FY 2025-2026 ETF Consolidated Budget Recommendation

Institution	FY 2024-2025 Appropriation (1)	Recommended Personnel, Salary, and Benefit Increase (2)	Mandated Funds for Rate Increases (3)	Inflationary Costs Increase Over FY2024 Appropriation (4)	Distribution Based on Weighted Credit Hours by Level & Discipline (5)	Total Recommended Increase (6)	Percentage of Total Recommended Increase (7)
Alabama A&M University	57,304,433	1,146,089	1,691,350	716,305	384,266	3,938,010	6.87%
Alabama State University	62,783,930	1,255,679	1,380,325	784,799	307,679	3,728,482	5.94%
Athens State University	21,741,509	434,830	627,371	271,769	189,195	1,523,165	7.01%
Auburn University	355,844,105	7,116,882	6,205,090	4,448,051	3,515,331	21,285,354	5.98%
Auburn University at Montgomery	33,112,856	662,257	634,553	413,911	354,982	2,065,703	6.24%
Jacksonville State University	57,283,222	1,145,664	1,974,932	716,040	577,069	4,413,706	7.71%
Troy University	81,246,926	1,624,939	1,237,182	1,015,587	805,179	4,682,886	5.76%
University of Alabama	248,302,456	4,966,049	6,182,624	3,103,781	2,889,773	17,142,227	6.90%
University of Alabama at Birmingham	393,173,000	7,863,460	8,493,325	4,914,663	5,041,419	26,312,867	6.69%
University of Alabama in Huntsville	72,681,686	1,453,634	1,431,263	908,521	721,462	4,514,880	6.21%
University of Montevallo	30,680,750	613,615	598,826	383,509	163,301	1,759,252	5.73%
University of North Alabama	53,189,628	1,063,793	777,934	664,870	613,033	3,119,629	5.87%
University of South Alabama	161,458,465	3,229,169	2,068,173	2,018,231	2,469,317	9,784,890	6.06%
University of West Alabama	30,515,149	610,303	351,441	381,439	586,580	1,929,763	6.32%
Total Universities	1,659,318,115	33,186,362	33,654,389	20,741,476	18,618,587	106,200,814	6.40%
Total Community Colleges	457,974,345	9,159,487	9,471,883	5,724,679	2,554,338	26,910,387	5.88%
Total Public Institutions	2,117,292,460	42,345,849	43,126,272	26,466,156	21,172,925	133,111,202	6.29%
All State-Level Programs	294,862,112					11,618,073	3.94%
TOTAL ACHE RECOMMENDATION	2,412,154,572					144,729,274	6.00%

Notes:

- (1) Figures taken from 2024 Act establishing the Education Trust Fund (ETF) FY 2025 budget.
- (2) Personnel, Salary, and Benefit Costs reflect an increase of 2% above the institutions' FY 2025 ETF appropriations.
- (3) Institution Needs Assessment and EBO Budget Request Submissions shows Tier 1 TRS changed from 13.57% to 14.57%; and Tier 2 TRS changed from 12.60% to 13.61%.
- (4) Inflationary Costs reflect an "Across the Board" increase of 1.25% above the institutions' FY 2025 ETF appropriations.
- (5) An increase of 1% above the institutions' FY 2025 ETF appropriations, distributed using the weighted credit hours from the ACHE Standard Calculation.
- (7) Total Consolidated Budget Recommendation closely adheres to Act #2023-390 (SB101) which establishes a spending limit of 6% over the prior year appropriation.

Fiscal Year 2025-2026 Consolidated Budget Recommendation

	FY 2024-2025 Appropriation	FY 2025-2026 EBO Request	% Increase Requested	FY 2025-2026 Recommendation	FY 2025-2026 Recommended Increase	% Change FY 2025-2026 Recommendation
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Other Two-Year</u>						
AL Community College System-System Office	14,738,866	15,475,809	5.00%	15,475,809	736,943	5.00%
Adult Basic Education	14,464,656	17,357,587	20.00%	15,187,889	723,233	5.00%
Alabama Fire College	6,777,863	6,947,310	2.50%	6,947,310	169,447	2.50%
STEAM Pilot Program	800,000	1,000,000	25.00%	840,000	40,000	5.00%
Special Population Training	4,725,281	5,725,281	21.16%	4,961,545	236,264	5.00%
Mine Safety Training Program	350,000	400,000	14.29%	367,500	17,500	5.00%
AL Technology Network	6,167,736	7,167,736	16.21%	6,476,123	308,387	5.00%
Dual Enrollment	40,682,385	50,682,385	24.58%	42,716,504	2,034,119	5.00%
Central-Truck Driver Training	240,790	300,000	24.59%	252,830	12,040	5.00%
Automotive Workforce Training Scholarship Program	400,000	400,000		400,000		
Automotive Manufacturing Development Program	312,500	312,500		312,500		
Distance Learning Program	3,375,000	3,875,000	14.81%	3,543,750	168,750	5.00%
Volunteer EMSP Certifications	125,000	125,000		125,000		
Women's Fund of Greater Birmingham Ed Support	750,000	750,000		750,000		
Smart Workforce Training Pilot Project	200,000	200,000		200,000		
WF Dev. Short-Term Cert Credential (Innovation Center)	15,000,000	25,000,000	66.67%	15,750,000	750,000	5.00%
Industry Certification Initiatives	9,640,408	11,140,408	15.56%	10,122,428	482,020	5.00%
LPN Programs	3,000,000	4,000,000	33.33%	3,150,000	150,000	5.00%
Career Tech Equipment	10,000,000	10,000,000		10,000,000		
Hospitality Training	1,000,000	1,000,000		1,000,000		
Short-Term Credential Scholarship Program	1,000,000	1,000,000		1,000,000		
Alabama Career Roadmap	2,000,000	2,000,000		2,000,000		
Total: <u>Other Two-Year</u>	135,750,485	164,859,016	21.44%	141,579,188	5,828,703	4.29%
<u>Other Higher Education</u>						
MESC/Dauphin Island Sea Lab	6,250,000	24,431,000	290.90%	6,562,500	312,500	5.00%
Private Colleges & Schools						
Talladega College*	1,176,157	1,069,234	-9.09%	1,234,965	58,808	5.00%
UWA/Stillman College	100,000	0	-100.00%	105,000	5,000	5.00%
A&M/Miles Consortium	493,486	532,964	8.00%	518,160	24,674	5.00%
State-Related Institution						
Tuskegee University	14,816,579	18,583,098	25.42%	15,557,408	740,829	5.00%
Total: <u>Private & State-Related Institutions</u>	16,586,222	20,185,296	21.70%	17,415,533	829,311	5.00%
Subtotal: <u>Other Higher Education</u>	22,836,222	44,616,296	95.38%	23,978,033	1,141,811	5.00%

Fiscal Year 2025-2026 Consolidated Budget Recommendation

	FY 2024-2025 Appropriation	FY 2025-2026 EBO Request	% Increase Requested	FY 2025-2026 Recommendation	FY 2025-2026 Recommended Increase	% Change FY 2025-2026 Recommendation
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Alabama Commission on Higher Education</u>						
Planning & Coordination Services	4,446,209	4,446,209		4,446,209		
AGSC/STARS	799,589	799,589		799,589		
SREB	831,214	831,214		831,214		
Network of AL Academic Libraries	384,076	584,076	52.07%	584,076	200,000	52.07%
EPSCOR (Research)	1,260,184	1,260,184		1,260,184		
STEM Major Teacher Recruitment	4,500,000	5,500,000	22.22%	5,500,000	1,000,000	22.22%
Alabama Literacy and Number Initiative		100,000		100,000	100,000	
Hunger Free Campus		200,000		200,000	200,000	
Adaptive & Disability Sports Education	60,000	60,000		60,000		
AL National Guard Scholarship Program	8,831,114	9,331,114	5.66%	9,331,114	500,000	5.66%
Humanities	200,000	200,000		200,000		
AL Student Assistance Program	9,500,000	10,000,000	5.26%	10,000,000	500,000	5.26%
AL Educational Grant Program (ASGP)	9,500,000	10,000,000	5.26%	10,000,000	500,000	5.26%
Police & Fire Fighters' Survivors Tuition	466,935	466,935		466,935		
(Re)Engage Alabama Grant Program		2,000,000		2,000,000	2,000,000	
Indian Affairs Scholarship Program	100,000	100,000		100,000		
AL Special Education Rural Teacher Initiative		250,000		250,000	250,000	
Soil and Water Conservation	2,923,376	2,923,376		2,923,376		
AL Forestry Foundation Blackbelt Initiative	532,000	532,000		532,000		
Resource Conservation & Develop Program	7,037,744	7,037,744		7,037,744		
Civil Air Patrol	125,000	125,000		125,000		
Black Belt Treasures	350,000	350,000		350,000		
Black Belt Adventures	475,000	475,000		475,000		
National Computer Forensic Institute	550,000	550,000		550,000		
AL Motorsports Hall of Fame	200,000	200,000		200,000		
Alabama Trails Foundation	340,000	340,000		340,000		
AL Math & Science Teacher Education Program	746,750	746,750		746,750		
AL Recruit & Retain Minority Teachers Pilot	700,000	700,000		700,000		
Forestry Commission Education Program	200,000	200,000		200,000		
AKEEP - Education & Teacher Recruitment Partnership	250,000	250,000		250,000		
Birmingham Promise Scholarship Program	892,500	892,500		892,500		
Retain Alabama	650,000	650,000		650,000		
Industry Credential Directory	100,000	100,000		100,000		
Alabama Agricultural Land Grant Alliance	6,491,283	6,491,283		6,491,283		
USS Alabama Battleship	1,350,000	1,350,000		1,350,000		
HBCU Cares	650,000	650,000		650,000		
Historically Black Colleges and Universities Consortium		650,000		650,000	650,000	

Fiscal Year 2025-2026 Consolidated Budget Recommendation

	FY 2024-2025 Appropriation	FY 2025-2026 EBO Request	% Increase Requested	FY 2025-2026 Recommendation	FY 2025-2026 Recommended Increase	% Change FY 2025-2026 Recommendation
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Alabama Commission on Higher Education, Continued</u>						
FAFSA Completion	580,000	580,000		580,000		
STUDY Alabama	50,000	50,000		50,000		
Data Breach Cyber Security		150,000		150,000	150,000	
National Clearinghouse Accountability Matrix		100,000		100,000	100,000	
Scottsboro Boys Museum	200,000	200,000		200,000		
Deferred Maintenance	5,000,000	5,000,000		5,000,000		
ETF Source of Funds	65,526,224	71,676,224	9.39%	71,676,224	6,150,000	9.39%
ETF Transfer Source of Funds	5,746,750	5,746,750		5,746,750		
Total: ACHE **	71,272,974	77,422,974	8.63%	77,422,974	6,150,000	8.63%
<u>Other Statewide Programs.</u>						
Dept. of Veterans' Affairs	47,815,227	45,857,046	-4.10%	45,857,046	(1,958,181)	-4.10%
American Legion Scholarships*	112,500	112,500		118,125	5,625	5.00%
Dependents Blind Parents*	10,399	10,399		10,919	520	5.00%
Medical Scholarships	2,440,014	2,440,014		2,562,015	122,001	5.00%
Optometric Scholarships*	200,000	200,000		210,000	10,000	5.00%
Dental Scholarships*	871,166	871,166		914,724	43,558	5.00%
Nursing Scholarships*	766,027	766,027		804,328	38,301	5.00%
Fostering Hope Scholarship Program*	1,205,608	1,205,608		1,265,888	60,280	5.00%
Teacher In-Service Centers*	3,509,080	3,509,080		3,684,534	175,454	5.00%
Public Health Dept. - Continuing Ed EMT	1,635,782	1,635,782		1,635,782		
Public Health Dept. - Office of Emergency Medical Services Trauma Communications Center - UAB	1,000,000	1,000,000		1,000,000		
Arts Council - Center for the Arts Foundation	1,200,000	1,200,000		1,200,000		
UAB-Chauncey Sparks/Special Mental Health*	4,236,628	4,236,628		4,236,628		
Total: Other <u>Statewide Programs.</u>	65,002,431	63,044,250	-3.01%	63,499,990	(1,502,441)	-2.31%
TOTAL: <u>ALL STATE LEVEL PROGRAMS</u>	294,862,112	349,942,536	18.68%	306,480,185	11,618,073	3.94%
TOTAL <u>PUBLIC INSTITUTIONS</u>	2,117,292,460	2,446,829,774	15.56%	2,250,403,662	133,111,202	6.29%
TOTAL <u>HIGHER EDUCATION</u> ***	2,412,154,572	2,796,772,310	15.94%	2,556,883,847	144,729,275	6.00%

* ACHE did not receive the FY 2025-2026 Budgeted Requests from these entities so the FY 2024-2025 appropriation was included as the requested amount.

**The FY25 appropriation reflects the base amounts appropriated in ACT 2024-351.

***Total includes amounts not counted as Higher Education.