

# THE UNIVERSITY OF TEXAS SYSTEM

## OPERATING BUDGET SUMMARIES

AND RESERVE ALLOCATIONS FOR  
LIBRARY, EQUIPMENT, REPAIR  
AND REHABILITATION  
AND FACULTY STARS

## FISCAL YEAR 2022



**AUGUST 2021**

The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Dallas ♦  
The University of Texas at El Paso ♦ The University of Texas Permian Basin ♦ The University of Texas Rio  
Grande Valley ♦ The University of Texas at San Antonio ♦ The University of Texas at Tyler ♦  
The University of Texas Southwestern Medical Center ♦ The University of Texas Medical Branch at Galveston  
♦ The University of Texas Health Science Center at Houston ♦ The University of Texas Health Science Center  
at San Antonio ♦ The University of Texas M. D. Anderson Cancer Center ♦ The University of Texas System  
Administration



# THE UNIVERSITY OF TEXAS SYSTEM

## OPERATING BUDGET SUMMARIES AND RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION AND FACULTY STARS

For Fiscal Year Ending August 31, 2022

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# THE UNIVERSITY OF TEXAS SYSTEM

## Operating Budget Highlights

For the Year Ending August 31, 2022

### INTRODUCTION

For more than 135 years, The University of Texas System (the “U. T. System”) has been committed to improving the lives of Texans and people all over the world through education, research and health care.

The U. T. System is one of the nation’s largest systems of higher education, with 13 institutions that educate more than 240,000 students. Each year, U. T. System institutions award more than 60,000 degrees including more than one-third of all undergraduate degrees in Texas and more than half of the State’s medical degrees. The U. T. System is one of the largest employers in the state with about 21,000 faculty – including Nobel laureates and members of the National Academies – and more than 85,000 health care professionals, researchers and staff.

Transformational initiatives implemented over the past several years have cemented U. T. as a national leader in higher education, including the expansion of educational opportunities in South Texas with the opening of U. T. Rio Grande Valley in 2015 and the new combination of U. T. Tyler and U. T. Health Science Center at Tyler.

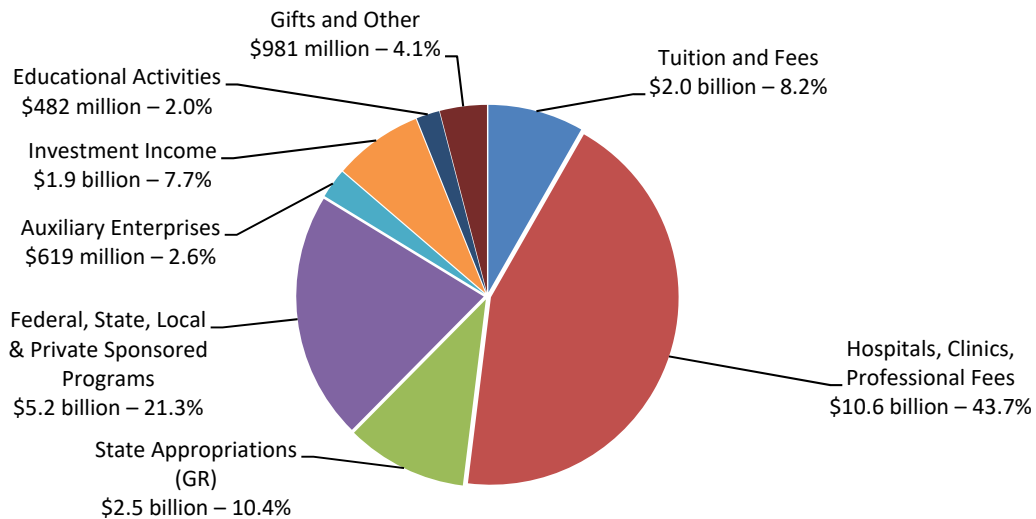
Creating a healthier Texas is a fundamental mission of U. T. institutions, which award more than 15,000 health-related degrees annually. The U. T. System is poised to open its seventh medical school in Tyler within the next several years. U. T.-owned and affiliated hospitals and clinics – supported by thousands of doctors, physician assistants, nurses and other health care providers – accounted for more than 9.2 million outpatient visits and over 1.8 million hospital days in 2019.

In addition to world-class patient care, U. T. researchers are on the front lines of advancing treatments and therapies for deadly and debilitating diseases. Life-changing and life-saving research and invention of new technologies regularly place U. T. institutions among the top 10 world’s most innovative universities, according to Reuters and the National Academy of Inventors. Total research spending across the 13 U. T. institutions exceeds \$3 billion annually, and the U. T. System is No. 1 in Texas and No. 2 in the nation in federal research expenditures among public higher education systems.

For FY 2022, changes in the operating budget are largely driven by growth in health care activities primarily related to hospital patient income and professional fees charged by U. T. faculty physicians and contractual arrangements with affiliated hospitals and health care systems. In addition, institutions have benefited from significant federal support provided in response to the COVID-19 pandemic as well as an increase in state appropriations going into the new biennium.

## REVENUE

**\$24.2 BILLION**



The budget includes both operating and nonoperating revenue used to support the System's activities. Combined revenue for FY 2022 is \$24.2 billion, up 9.3 percent or \$2.1 billion from FY 2021. The most significant areas of growth relate to health care activities and include **Net Sales and Services of Hospitals and Clinics** (10.6 percent, \$794 million), **Federal Sponsored Programs - Operating and Non-Operating** (24.9 percent combined, \$518 million combined), and **Local and Private Sponsored Programs** (14.8 percent, \$269 million). Budgeted **State Appropriations** (8.0 percent, \$186 million) are projected to increase robustly resulting from new appropriations made by the 87<sup>th</sup> Legislature and restoration of prior year reductions made by U. T. System institutions. Although there is expected growth in other revenue streams, the growth in general revenue for FY 2022 will allow it to continue to comprise 10.8 percent of the total expense budget, the same level as for 2021.

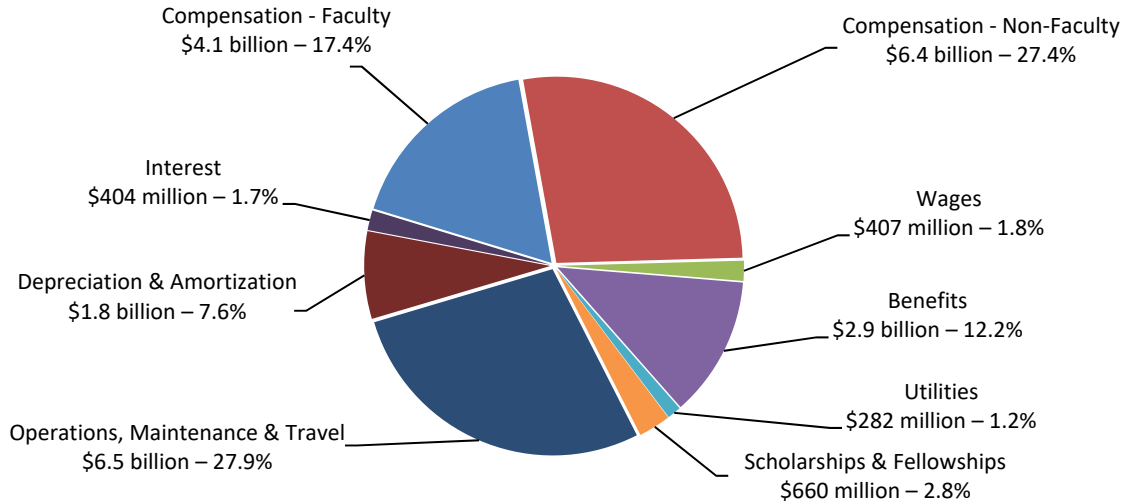
**Net Sales and Services of Hospitals and Clinics** revenue growth is projected most significantly at U. T. Southwestern Medical Center (\$327 million), which is experiencing revenue growth from the opening of the third tower at Clements University Hospital and at U. T. M. D. Anderson Cancer Center (\$343 million), which is focusing on targeted service lines along with implementing patient access initiatives and a hospital price increase. U. T. Medical Branch—Galveston (\$94 million) projects expanded volume at their Clear Lake and League City campuses as well as a recovery of elective clinical volumes that were disrupted by COVID during FY 2021.

**Federal Sponsored Programs - Nonoperating** at all institutions is largely comprised of Pell grants and other federal financial aid for students along with CARES Act and Higher Education Emergency Relief Fund (HEERF) support resulting from the COVID-19 pandemic. The greatest growth occurs at U. T. Austin (\$130 million), U. T. San Antonio (\$77 million) and U. T. El Paso (\$51 million). Growth in **Federal Sponsored Programs - Operating** relates to post-pandemic recovery of sponsored research as well as new award activity related to COVID-19. The most significant increases are projected at U. T. M. D. Anderson Cancer Center (\$56 million) and U. T. Health Science Center at Houston (\$39 million).

Budgeted growth in **Local and Private Sponsored Programs** results from anticipated expansion of contractual health care relationships as well as from a recovery of post-pandemic sponsored research. The most significant increases relate to research growth at U. T. M. D. Anderson (\$64 million) and contractual revenue at U. T. Southwestern Medical Center (\$40 million) and U. T. Health Science Center-Houston (\$50 million). An increase is also reflected by U. T. Austin (\$70 million) which made a change in the way it accounts for certain clinical revenues previously reported as professional fees.

## EXPENSES BY NATURAL CLASSIFICATION

**\$23.4 BILLION**



Expenses reflected in the budget include all operational activities, limited nonoperating expenses, and transfers to U. T. System Administration made to fund debt service interest. Depreciation and amortization expenses are also included in the budget. Conversely, capital outlay, capitalized lease payments and transfers for debt service principal payments are excluded. Combined expenses for FY 2022 are \$23.4 billion, up 7.6 percent or \$1.7 billion from FY 2021.

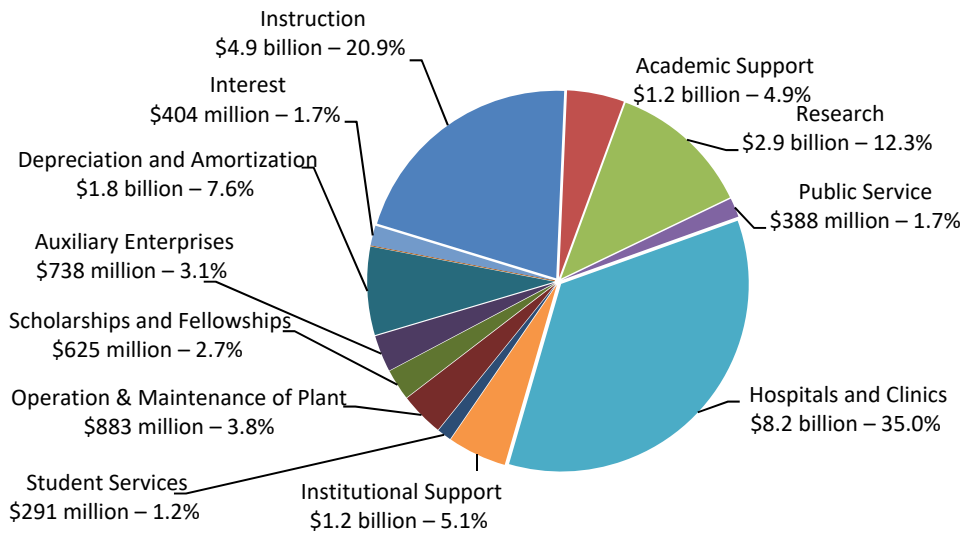
**Personnel Costs** including compensation for both faculty and non-faculty along with wages for temporary employees and students and associated benefits costs for all classes of employees are budgeted to increase by \$866 million (6.7 percent) over FY 2021. For the U. T. System, these costs represent 58.8 percent of Total Expenses. After there being no merit salary increases in FY 2021, institutions have generally included plans for merit salary increases in their current budget requests. Additional growth in Personnel Costs results from planned new faculty lines for both instructional purposes and in support of the medical practice and additional staff largely in support of the medical enterprise. The most significant increases are projected at U. T. Southwestern Medical Center (\$172 million), U. T. Medical Branch – Galveston (\$110 million), U. T. Health Science Center–Houston (\$92 million), and U. T. M. D. Anderson Cancer Center (\$178 million).

Among the non-personnel costs, the most significant change is to **Operations, Maintenance and Travel** (\$595 million or 8.2 percent before adjustment for the capitalized portion). U. T. Austin (\$73 million) has growth entirely attributable to federal HEERF funds being budgeted in this category pending future determination of use. Other significant changes at U. T. Southwestern Medical Center (\$168 million), U. T. Medical Branch – Galveston (\$98 million), and U. T. M. D. Anderson Cancer Center (\$84 million) result from a combination of patient care volume growth and/or increased planned capital expenditures. **Scholarships and Fellowships** (before adjustment for tuition discounts and allowances) are anticipated to grow by \$246 million (19.5 percent) spread across the academic institutions as they plan the expenditure of federal HEERF funds for student aid.

**Depreciation and Amortization** budgeted for FY 2022 reflects projected growth of \$193 million (12.1 percent) over the prior year. New facilities such as the third tower at Clements University Hospital at U. T. Southwestern Medical Center, the Energy Engineering and Seay buildings at U. T. Austin as well as renovations such as the Jesse Jones Library at U. T. Health Science Center at Houston are contributing to the increase. In addition, all institutions have implemented new lease accounting standards for FY 2022 which include amortization of right-of-use assets. As this is a new standard of accounting beginning with FY 2022, the change represents an increase over FY 2021. The largest increases occur at U. T. Austin (\$43 million), U. T. Southwestern Medical Center (\$53 million), U. T. Medical Branch – Galveston (\$17 million), U. T. Health Science Center at Houston (\$15 million) and U. T. M. D. Anderson Cancer Center (\$33 million).

## EXPENSES BY NACUBO FUNCTION

**\$23.4 BILLION**



The most significant functional areas of growth include **Hospitals and Clinics** (10.8 percent, \$796 million), **Instruction** (4.0 percent, \$187 million), **Research** (4.5 percent, \$125 million) and **Depreciation and Amortization** (10.2 percent, \$193 million).

The most significant changes in **Hospitals and Clinics** are at U. T. Southwestern Medical Center (\$321 million), U. T. Medical Branch – Galveston (\$91 million) and U. T. M. D. Anderson Cancer Center (\$248 million). Expenses increase largely from growth in patient care costs commensurate with increasing patient care revenue previously discussed on page 2. In addition, proposed staff merit salary increases contribute to the growth.

**Instruction** expenses will increase largely due to planned merit salary increases, market increases, and new faculty lines including new medical faculty related to patient care growth. The most significant increases are projected to be at U. T. Austin (\$43 million), U. T. Rio Grande Valley (\$25 million), U. T. Medical Branch – Galveston (\$23 million) and U. T. Health Science Center - Houston (\$32 million).

The most significant changes in anticipated **Research** expenses will occur at U. T. Southwestern Medical Center (\$31 million), U. T. Health Science Center – Houston (\$49 million) and U. T. M. D. Anderson Cancer Center (\$35 million) offset by a decline at U. T. Austin (<\$31> million decrease). Additional anticipated grants including COVID-19 pandemic-related disease and vaccine research along with clinical trials are responsible for the growth offset by an overestimate of budgeted activity for FY 2021 by U. T. Austin.

**Depreciation and Amortization** budgeted for FY 2022 reflects projected growth of \$193 million (12.1 percent) over the prior year and is discussed in detail on page 3.



## BACKGROUND

The System reports financial information based on Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – Management’s Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the entity as a whole. Previously, financial statements focused on the accountability of individual fund groups rather than on the entity as a whole.

The U. T. System Annual Operating Budget has historically presented sources and uses of funds in select fund groups rather than on operating results of the entity as a whole. As a result, several significant differences existed between the budget and the financial reporting presentations at year-end. Beginning in the FY 2007 budget, the underlying operating budget maintains the sources and uses information but allows the focus of the budget to conform more closely to the entity-wide financial performance measures of the annual financial report through a series of adjustments incorporated into the budget totals. The major differences that have been resolved included the following items:

- The budget reflects tuition discounting and related scholarship/fellowship activities in a manner comparable to the GASB *Rules* for the annual financial report.
- Depreciation expense is incorporated into the budgeted expense totals.
- Capital outlay from operating funds is eliminated from budgeted expenditure totals.
- Debt service principal repayments are eliminated from budgeted expenditure totals.
- Beginning with FY 2022, GASB 87 capitalized lease activity payments are eliminated from budgeted expenditure totals with associated capitalized lease interest, capitalized lease principal and amortization of right-of-use assets being recorded in its place.

The information presented in this summary document nets budgeted revenues and expenses to arrive at a “Budget Margin (Deficit).” Beginning with this calculated margin, a reconciliation has been included to arrive at a forecasted Change in Net Assets that is intended to be comparable to the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) included in the U. T. System’s Annual Financial Report.

Expenses are reported in the budget by natural classification meaning that expenses are accumulated based on the nature of each type of expense. This contrasts with functional classification which is a presentation method under which expenses are aggregated and reported by the activities for which they were incurred. Reporting of functional classifications is included as supplemental information.

## PRESENTATION OF FY 2021 PROJECTED ACTUAL TOTALS

All U. T. institutions have prepared a projection of FY 2021 activity in a format comparable to that presented for the FY 2021 adjusted and FY 2022 proposed budgets. This projection was based on activity through May 2021.

## RESTATEMENT AND RECLASSIFICATION OF FY 2021 BUDGET TOTALS

In response to the COVID-19 pandemic, the U. T. System Board of Regents granted authority for the Chancellor to make non-substantive changes to the FY 2021 U. T. System Operating “with subsequent adjustments and any material changes reported to the Board of Regents through the Consent Agenda to the extent required by the Budget Rules and Procedures.” Several institutions made adjustments which when combined totaled a \$9,422,847 increase in revenue and \$26,057,517 increase in expenses. FY 2021 budgets presented herein have been restated for those changes. A summary of the changes made for affected institutions follows:

## BACKGROUND (CONTINUED)

Institution	Increase (Decrease) in Revenue	Increase (Decrease) in Expenses
U. T. Arlington	\$ -	\$ 38,884
U. T. Dallas	-	1
U. T. El Paso	2,261,703	2,261,703
U. T. Rio Grande Valley	290,198	290,198
U. T. San Antonio	2,682,500	2,682,500
U. T. Tyler (Academic)	283,691	417,048
U. T. Medical Branch – Galveston	(128,573)	16,411,427
U. T. Health Science Center – Houston	1,606,332	1,597,815
U. T. Health Science Center – San Antonio	2,426,996	2,357,941
<b>Total</b>	<b>\$9,422,847</b>	<b>\$26,057,517</b>

As part of a desire to align the Operating Budget with the Monthly Financial Report and Analysis of Financial Condition prepared by the U. T. System Office of the Controller, all appropriation of general revenue for Tuition Revenue Bond debt service and the related transfer activity for principal and interest have been moved from the respective institutions to the budget of U. T. System Administration. Along with this prospective change, FY 2021 budgets for the institutions and for U. T. System Administration have been restated. While there is no impact on either revenue or expense within the consolidated U. T. System budget, this change affects presented FY 2021 revenue and expense at each individual institution

Institution	Increase (Decrease) in State Appropriation Revenue	Increase (Decrease) in Transfers for Debt Service - Interest	Increase (Decrease) in Transfers for Debt Service - Principal
U. T. System Administration	\$205,568,990	\$50,559,512	\$155,009,478
U. T. Arlington	(12,828,000)	(3,459,000)	(9,369,000)
U. T. Austin	(19,674,000)	(2,534,000)	(17,140,000)
U. T. Dallas	(13,008,140)	(4,355,662)	(8,652,478)
U. T. El Paso	(12,707,350)	(3,642,350)	(9,065,000)
U. T. Permian Basin	(12,186,050)	(3,035,050)	(9,151,000)
U. T. Rio Grande Valley	(18,020,350)	(3,582,350)	(14,438,000)
U. T. San Antonio	(16,641,000)	(3,856,000)	(12,785,000)
U. T. Tyler (Academic)	(9,869,900)	(2,751,900)	(7,118,000)
U. T. Tyler (Health Science Center)	(3,721,350)	(903,350)	(2,818,000)
U. T. Southwestern Medical Center	(18,516,400)	(3,701,400)	(14,815,000)
U. T. Medical Branch – Galveston	(22,423,900)	(6,817,900)	(15,606,000)
U. T. Health Science Center – Houston	(18,749,350)	(4,566,350)	(14,183,000)
U. T. Health Science Center – San Antonio	(15,895,850)	(4,154,850)	(11,741,000)
U. T. M. D. Anderson Cancer Center	(11,327,350)	(3,199,350)	(8,128,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

In certain situations, reclassifications have been made between FY 2021 line items to enhance comparability with the FY 2021 presentation.

## GLOSSARY OF TERMS

### Operating Revenues:

**TUITION AND FEES** – All student tuition and fee revenues earned at the U. T. institutions for educational purposes. Tuition is reported gross with an identified offset “Less Discounts and Allowances” to reflect the related scholarship/fellowship discount activities in a manner comparable to the GASB Rules for the annual financial report.

**SPONSORED PROGRAMS** – Funding received from local, state, and federal governments or private agencies, organizations, or individuals. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants. Contractual relationships with clinical partners such as hospitals are reported as Local and Private Sponsored Programs.

**NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES** – Revenues related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold. Examples include revenues received from activities such as performing arts, continuing education, charter schools, the University Interscholastic League, trademarks programs, and sports camps.

**NET SALES AND SERVICES OF HOSPITALS AND CLINICS** – Revenues (net of discounts, allowances, and bad debt expense) generated from U. T. health institutions’ daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

**NET PROFESSIONAL FEES** – Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at U. T. health institutions, U. T. Austin and U. T. Rio Grande Valley as part of the medical, dental, and other practice plans. Examples of such fees include doctor’s fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

**NET AUXILIARY ENTERPRISES** – Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).

**OTHER OPERATING REVENUES** – Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories. Also included in this category are Delivery System Reform Incentive Payment funds (DSRIP) which are payments made to providers who agree to participate in Medicaid health care quality and delivery system reforms.

### Operating Expenses:

**NATURAL CLASSIFICATION** - A natural expense classification is a method of grouping expenses according to the type of costs that are incurred. The classifications indicate what was purchased rather than why an expense was incurred. Categories included are Compensation-Faculty; Compensation-Non-Faculty; Wages; Benefits; Utilities; Scholarships and Fellowships; Operations, Maintenance, and Travel; and Depreciation and Amortization.

**FUNCTIONAL CLASSIFICATION** – A presentation method for expenses under which expenses are aggregated and reported by the activities for which they were incurred. The classifications indicate why an expense was incurred rather than what was purchased. Functional classification definitions are set by the National Association of College and University Business Officers (NACUBO).

## GLOSSARY OF TERMS (CONTINUED)

**INSTRUCTION AND ACADEMIC SUPPORT** – Expenditures for salaries, wages, and all other costs related to those engaged in the teaching function including operating costs of instructional departments. This would include the salaries of faculty, teaching assistants, lecturers, and teaching equipment. Library materials and related salaries are also included.

**RESEARCH** – Expenditures for salaries and wages and other costs associated with the support of research conducted by faculty members.

**PUBLIC SERVICE** – Expenditures for activities providing noninstructional services beneficial to individuals and groups external to the institution (e.g. conferences, institutes such as the Institute for Texan Cultures, general advisory services, reference bureaus, radio, and television).

**HOSPITALS AND CLINICS** – Expenditures of U. T. health-related institutions with teaching hospital affiliations for costs associated with providing patient care and operating the entity (i.e., labs, pharmacies, personnel salaries, etc.).

**INSTITUTIONAL SUPPORT** – Expenditures for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

**STUDENT SERVICES** – Expenditures for offices of admissions and of the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program.

**OPERATION AND MAINTENANCE OF PLANT** – Expenditures of current operating funds for the operation and maintenance of the physical plant. This includes all expenditures for operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. Specifically included are: salaries, wages, supplies materials, and other expenses necessary to keep each building in good repair and usable condition. Also includes expenses necessary to keep the buildings in a clean and sanitary condition, provide upkeep of all lands designated as campus proper (improved and unimproved) not occupied by actual buildings.

**SCHOLARSHIPS AND FELLOWSHIPS** – Expenditures for scholarships and fellowships in the form of grants to students resulting from selection by the institution or from an entitlement program. Amounts reported are net of the effects of tuition discounting.

**AUXILIARY ENTERPRISES** – Expenditures of essentially self-supporting institution enterprises (e.g. bookstores, dormitories, inter-collegiate athletic programs, etc.).

**DEPRECIATION AND AMORTIZATION** – A noncash expense that reduces the value of a capital asset as a result of wear and tear, age, or obsolescence. Also includes amortization expense, which is the gradual elimination of a liability in regular payments over a specified period of time. Also included is amortization of right-of-use assets in accordance with GASB guidance on accounting for leases.

## GLOSSARY OF TERMS (CONTINUED)

### **Nonoperating Revenues (Expenses):**

STATE APPROPRIATIONS – Appropriations from the State of Texas General Revenue Fund, which supplement the U. T. institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support. Also includes estimated state-paid fringe benefits costs. Although appropriated to each institution, funding for debt service on tuition revenue bonds has been budgeted at U. T. System Administration, where the debt service is actually paid.

FEDERAL SPONSORED PROGRAMS - NONOPERATING – Funding received from the federal government for which no exchange of goods or services is perceived to have occurred. This typically includes federal Pell Grants and other miscellaneous awards from the State of Texas. For FY 2022, this also includes HEERF funds awarded by the federal government to the U. T. System institutions.

STATE AND LOCAL SPONSORED PROGRAMS - NONOPERATING – Funding received from state or local governments for which no exchange of goods or services is perceived to have occurred. This typically includes Texas Research Incentive Program awards from the State of Texas and funding for the U. T. Austin Medical School provided by the local health care district.

GIFTS IN SUPPORT OF OPERATIONS – Consist of public and private gifts used in current operations, excluding gifts for capital acquisition and endowment gifts.

NET INVESTMENT INCOME – Interest and dividend income, Long Term Fund and Permanent Health Fund distributions paid from current year income and patent and royalty income. The U. T. System share of distributions from the Permanent University Fund to the Available University Fund are also included for budget purposes.

OTHER NONOPERATING REVENUES (EXPENSES) – Revenues and expenses not directly associated with the primary missions of System institutions and not included in another category.

### **Transfers and Other:**

AUF TRANSFERS RECEIVED (MADE) – Transfers made from U. T. System Administration’s Available University Fund (AUF) primarily used to finance excellence at U. T. Austin and general administration at U. T. System Administration. AUF Transfers Received are included in budgeted “revenue” at U. T. Austin and U. T. System Administration in order to be incorporated into margin calculations. To allow revenue totals to balance Systemwide, AUF Transfers Made are reported as a contra-revenue at U. T. System Administration.

TRANSFERS FOR DEBT SERVICE – INTEREST/LEASE INTEREST – Reflects debt service activity at all U. T. institutions and includes only the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and PUF bond programs. Also reported on this line is the reclassified portion of GASB 87 capitalized lease activity that is attributable to interest. Through the REVERSE TRANSFERS FOR DEBT SERVICE (SYSTEM ONLY) line item, these amounts are eliminated for purposes of calculating the Systemwide SRECNP Change in Net Position. This elimination leaves virtually all interest expense for the entire System reflected at U. T. System Administration since most of the System’s debt is issued in the name of the U. T. System Board of Regents.

## GLOSSARY OF TERMS (CONTINUED)

### **Reconciliation to Change in Net Assets:**

NET NON-PROFIT HEALTH CORP ACTIVITY – Reflects the net activity of the non-profit health corporations affiliated with U. T. health-related institutions. These organizations function as independent entities and their operations are not directly included in the U. T. System’s operating budget. At year end, these entities are incorporated into the U. T. System’s financial statements in accordance with generally accepted accounting principles.

NET INC./ (DEC.) IN FAIR VALUE OF INVESTMENTS – Unrealized gains or losses on investment assets of the System.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS – Interest expense associated with bond and note borrowings utilized to finance capital improvement projects. U. T. System Administration reports most interest expense because almost all debt legally belongs to the U. T. System Board of Regents.

CAPITAL APPROPRIATIONS, GIFTS AND SPONSORED PROGRAMS – Includes appropriations from the State along with gifts and support for capital projects of the System that are not used for operations.

ADDITIONS TO PERMANENT ENDOWMENTS – Gifts and other additions to the corpus of permanent endowments. These funds are not available to be expended for operational purposes.

TRANSFERS FOR DEBT SERVICE – PRINCIPAL – Reflects debt service activity at all U. T. institutions and includes only the principal portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and PUF bond programs. Through the REVERSE TRANSFERS FOR DEBT SERVICE (SYSTEM ONLY) line item, these amounts are eliminated for purposes of calculating the Systemwide SRECNP Change in Net Position as retirement of principal is a balance sheet transaction and do not impact net position.

REVERSE TRANSFERS FOR DEBT SERVICE (SYSTEM ONLY) – This line is used to eliminate the effects of transfers for debt service received by U. T. System Administration on the SRECNP Change in Net Position.

TRANSFERS AND OTHER – Includes all interfund transfers and other activity not categorized elsewhere. For U. T. System, this total also includes the income and distribution to Texas A&M University System for their annual one-third participation in the PUF endowment.



# **THE UNIVERSITY OF TEXAS SYSTEM INSTITUTION BUDGET HIGHLIGHTS AND BUDGET SUMMARIES**

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**The University of Texas System  
Operating Budget  
Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 2,735,566,298	2,671,431,192	2,848,109,399	176,678,207	6.6%
Less Discounts and Allowances	(778,715,599)	(712,944,721)	(853,149,480)	(140,204,759)	19.7%
Federal Sponsored Programs	1,842,571,713	1,655,819,981	1,820,797,282	164,977,301	10.0%
State Sponsored Programs	392,204,631	411,261,208	441,141,970	29,880,762	7.3%
Local and Private Sponsored Programs	1,958,856,974	1,814,365,168	2,083,059,542	268,694,374	14.8%
Net Sales and Services of Educational Activities	489,818,573	480,715,602	481,505,957	790,355	0.2%
Net Sales and Services of Hospital and Clinics	7,799,930,358	7,517,456,522	8,311,755,099	794,298,577	10.6%
Net Professional Fees	2,138,073,888	2,255,603,282	2,270,540,141	14,936,859	0.7%
Net Auxiliary Enterprises	398,488,064	650,186,236	619,244,322	(30,941,914)	-4.8%
Other Operating Revenues	596,602,180	450,416,247	550,975,938	100,559,691	22.3%
<b>Total Operating Revenues</b>	<b>17,573,397,080</b>	<b>17,194,310,717</b>	<b>18,573,980,170</b>	<b>1,379,669,453</b>	<b>8.0%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	3,912,452,467	3,843,292,687	4,078,303,125	235,010,438	6.1%
Compensation - Non-Faculty	6,130,314,728	6,013,467,687	6,422,391,401	408,923,714	6.8%
Wages	406,531,318	393,832,956	406,512,596	12,679,640	3.2%
Benefits	2,385,345,039	2,648,432,201	2,858,274,259	209,842,058	7.9%
Personnel Costs	12,834,643,552	12,899,025,531	13,765,481,381	866,455,850	6.7%
Utilities	276,868,214	291,151,541	282,489,809	(8,661,732)	-3.0%
Scholarships and Fellowships	1,400,929,431	1,266,280,460	1,512,637,161	246,356,701	19.5%
Less Discounts and Allowances	(778,724,817)	(712,944,721)	(853,149,480)	(140,204,759)	19.7%
Operations, Maintenance and Travel	8,195,918,850	7,230,162,704	7,825,174,888	595,012,184	8.2%
Less Capitalized Portion and Cap Lease Activity	(887,838,151)	(1,185,602,401)	(1,293,757,093)	(108,154,692)	9.1%
Depreciation and Amortization	1,637,901,545	1,586,290,842	1,778,824,301	192,533,459	12.1%
<b>Total Operating Expenses</b>	<b>22,679,698,624</b>	<b>21,374,363,956</b>	<b>23,017,700,967</b>	<b>1,643,337,011</b>	<b>7.7%</b>
<b>Operating Surplus/Deficit</b>	<b>(5,106,301,544)</b>	<b>(4,180,053,239)</b>	<b>(4,443,720,797)</b>	<b>(263,667,558)</b>	<b>6.3%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	2,257,577,378	2,342,077,575	2,528,302,551	186,224,976	8.0%
Federal Sponsored Programs (Nonoperating)	970,787,837	425,988,290	778,527,144	352,538,854	82.8%
State/Local Sponsored Programs (Nonoperating)	39,950,858	39,941,006	37,190,929	(2,750,077)	-6.9%
Gifts in Support of Operations	524,780,376	400,323,795	430,150,385	29,826,590	7.5%
Net Investment Income	1,041,867,050	1,743,445,543	1,855,289,677	111,844,134	6.4%
Other Non-Operating Revenue	7,033,724	129,166	129,166	-	0.0%
Other Non-Operating (Expenses)	(63,630,231)	(391,165)	(212,500)	178,665	-45.7%
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>4,778,366,992</b>	<b>4,951,514,210</b>	<b>5,629,377,352</b>	<b>677,863,142</b>	<b>13.7%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	510,905,476	509,087,000	534,240,511	25,153,511	4.9%
AUF Transfers (Made) for Operations	(510,905,476)	(509,087,000)	(534,240,511)	(25,153,511)	4.9%
Transfers for Debt Service-Interest/Lease Interest	(385,374,885)	(392,971,119)	(403,874,540)	(10,903,421)	2.8%
<b>Total Transfers and Other</b>	<b>(385,374,885)</b>	<b>(392,971,119)</b>	<b>(403,874,540)</b>	<b>(10,903,421)</b>	<b>2.8%</b>
<b>Budget Margin (Deficit)</b>	<b>(713,309,437)</b>	<b>378,489,852</b>	<b>781,782,015</b>	<b>403,292,163</b>	<b>106.6%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	5,585,383	3,220,483	3,025,383	(195,100)	-6.1%
Net Inc./(Dec.) in Fair Value of Investments	3,830,587,654	-	-	-	-
Interest Expense on Capital Asset Financings	(317,869,775)	(392,992,119)	(403,894,540)	(10,902,421)	2.8%
Capital Approp., Gifts and Sponsored Programs	151,937,405	178,808,058	107,012,726	(71,795,332)	-40.2%
Additions to Permanent Endowments	151,001,836	128,152,305	157,764,992	29,612,687	23.1%
Transfers for Debt Service - Principal	(425,331,762)	(401,110,478)	(666,837,694)	(265,727,216)	66.2%
Reverse Transfers for Debt Service (System Only)	810,706,647	794,081,597	1,070,712,234	276,630,637	34.8%
Transfers and Other	5,824,275,005	(73,161,053)	(55,885,958)	17,275,095	-23.6%
<b>SRECNP Change in Net Position</b>	<b>\$ 9,317,582,956</b>	<b>615,488,645</b>	<b>993,679,158</b>	<b>378,190,513</b>	<b>61.4%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 22,415,394,303</b>	<b>22,146,216,092</b>	<b>24,203,570,022</b>	<b>2,057,353,930</b>	<b>9.3%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(23,128,703,740)</b>	<b>(21,767,726,240)</b>	<b>(23,421,788,007)</b>	<b>(1,654,061,767)</b>	<b>7.6%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (713,309,437)</b>	<b>378,489,852</b>	<b>781,782,015</b>	<b>403,292,163</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		1,586,290,842	1,778,824,301		
Capital Outlay		(1,185,602,401)	(1,166,979,805)		
Trsfers for Debt Service-Principal/Lease Principal		(401,110,478)	(771,187,268)		
Budgeted Transfers		(45,138,983)	(38,796,455)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>332,928,832</b>	<b>583,642,788</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas System**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 4,553,482,352	4,719,807,321	4,907,221,435	187,414,114	4.0%
Academic Support	1,121,349,836	1,128,068,676	1,154,881,488	26,812,812	2.4%
Research	2,777,695,430	2,746,461,889	2,871,410,062	124,948,173	4.5%
Public Service	355,004,594	355,652,326	388,267,413	32,615,087	9.2%
Hospitals and Clinics	7,616,734,101	7,392,809,729	8,188,606,261	795,796,532	10.8%
Institutional Support	2,349,915,250	1,061,069,254	1,192,151,219	131,081,965	12.4%
Student Services	284,829,268	293,997,224	291,260,446	(2,736,778)	-0.9%
Operations and Maintenance of Plant	875,589,283	842,588,001	882,826,944	40,238,943	4.8%
Scholarships and Fellowships	524,156,779	522,196,440	624,564,453	102,368,013	19.6%
Auxiliary Enterprises	601,407,542	725,422,254	737,686,945	12,264,691	1.7%
Depreciation and Amortization	1,619,534,189	1,586,290,842	1,778,824,301	192,533,459	12.1%
Total Operating Expenses	\$ 22,679,698,624	21,374,363,956	23,017,700,967	1,643,337,011	7.7%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 7,629,828,328	8,383,486,084	753,657,756	9.9%
Designated	9,178,723,839	9,872,250,721	693,526,882	7.6%
Auxiliary	775,928,799	805,359,459	29,430,660	3.8%
Available University Fund	682,256,914	730,665,501	48,408,587	7.1%
Restricted	3,225,492,012	3,681,405,989	455,913,977	14.1%
Unexpended Plant	988,863,106	961,112,505	(27,750,601)	-2.8%
Subtotal - Expenditures (All Funds)	22,481,092,998	24,434,280,259	1,953,187,261	8.7%
Reconciling Adjustments:				
Tuition Discounting	(712,944,721)	(853,149,480)	(140,204,759)	19.7%
Depreciation	1,586,290,842	1,778,824,301	192,533,459	12.1%
Capital Outlay	(1,185,602,401)	(1,166,979,805)	18,622,596	-1.6%
Trsfrs for Debt Service - Principal/Lease Principal	(401,110,478)	(771,187,268)	(370,076,790)	92.3%
Total Expenses (Including Transfers for Interest)	\$ 21,767,726,240	23,421,788,007	1,654,061,767	7.6%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Academic Institutions**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 2,524,421,893	2,472,013,550	2,628,035,660	156,022,110	6.3%
Less Discounts and Allowances	(768,909,032)	(704,375,291)	(843,736,027)	(139,360,736)	19.8%
Federal Sponsored Programs	841,618,002	761,581,710	800,885,071	39,303,361	5.2%
State Sponsored Programs	235,059,755	245,525,995	252,722,683	7,196,688	2.9%
Local and Private Sponsored Programs	264,399,938	238,809,098	305,396,700	66,587,602	27.9%
Net Sales and Services of Educational Activities	374,724,921	394,481,859	393,160,888	(1,320,971)	-0.3%
Net Sales and Services of Hospital and Clinics	-	-	1,600,000	1,600,000	-
Net Professional Fees	29,342,336	81,653,367	30,870,496	(50,782,871)	-62.2%
Net Auxiliary Enterprises	306,127,936	536,378,813	512,752,495	(23,626,318)	-4.4%
Other Operating Revenues	48,913,173	36,952,633	46,631,750	9,679,117	26.2%
<b>Total Operating Revenues</b>	<b>3,855,698,922</b>	<b>4,063,021,734</b>	<b>4,128,319,716</b>	<b>65,297,982</b>	<b>1.6%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	1,140,761,496	1,108,665,780	1,202,434,028	93,768,248	8.5%
Compensation - Non-Faculty	1,635,312,703	1,624,218,048	1,702,536,596	78,318,548	4.8%
Wages	201,682,278	186,931,253	188,486,752	1,555,499	0.8%
Benefits	860,970,789	854,266,537	882,818,275	28,551,738	3.3%
Personnel Costs	3,838,727,266	3,774,081,618	3,976,275,651	202,194,033	5.4%
Utilities	135,057,032	145,623,550	138,599,795	(7,023,755)	-4.8%
Scholarships and Fellowships	1,358,585,596	1,226,192,971	1,468,855,287	242,662,316	19.8%
Less Discounts and Allowances	(768,909,032)	(704,375,291)	(843,736,027)	(139,360,736)	19.8%
Operations, Maintenance and Travel	1,398,392,310	1,848,538,402	2,021,696,165	173,157,763	9.4%
Less Capitalized Portion and Cap Lease Activity	(306,287,025)	(154,074,037)	(214,616,726)	(60,542,689)	39.3%
Depreciation and Amortization	694,748,612	655,622,055	723,975,776	68,353,721	10.4%
<b>Total Operating Expenses</b>	<b>6,350,314,759</b>	<b>6,791,609,268</b>	<b>7,271,049,921</b>	<b>479,440,653</b>	<b>7.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(2,494,615,837)</b>	<b>(2,728,587,534)</b>	<b>(3,142,730,205)</b>	<b>(414,142,671)</b>	<b>15.2%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	957,848,049	943,218,006	1,113,186,623	169,968,617	18.0%
Federal Sponsored Programs (Nonoperating)	648,155,601	422,186,260	769,854,020	347,667,760	82.3%
State/Local Sponsored Programs (Nonoperating)	39,950,858	39,941,006	37,190,929	(2,750,077)	-6.9%
Gifts in Support of Operations	323,242,860	213,216,089	217,990,013	4,773,924	2.2%
Net Investment Income	450,447,936	382,118,490	394,325,350	12,206,860	3.2%
Other Non-Operating Revenue	5,209,027	-	-	-	-
Other Non-Operating (Expenses)	(10,395,155)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>2,414,459,176</b>	<b>2,000,679,851</b>	<b>2,532,546,935</b>	<b>531,867,084</b>	<b>26.6%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	418,905,476	417,087,000	440,977,000	23,890,000	5.7%
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(124,661,580)	(115,615,178)	(125,636,014)	(10,020,836)	8.7%
<b>Total Transfers and Other</b>	<b>294,243,896</b>	<b>301,471,822</b>	<b>315,340,986</b>	<b>13,869,164</b>	<b>4.6%</b>
<b>Budget Margin (Deficit)</b>	<b>214,087,235</b>	<b>(426,435,861)</b>	<b>(294,842,284)</b>	<b>131,593,577</b>	<b>-30.9%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	133,364,720	-	-	-	-
Interest Expense on Capital Asset Financings	(21,000)	(21,000)	(20,000)	1,000	-4.8%
Capital Approp., Gifts and Sponsored Programs	104,150,000	110,090,000	55,961,900	(54,128,100)	-49.2%
Additions to Permanent Endowments	79,900,498	74,258,000	101,435,400	27,177,400	36.6%
Transfers for Debt Service - Principal	(5,905,000)	(6,128,000)	(62,896,760)	(56,768,760)	926.4%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	366,894,677	152,887,255	178,576,801	25,689,546	16.8%
<b>SRECNP Change in Net Position</b>	<b>\$ 892,471,130</b>	<b>(95,349,606)</b>	<b>(21,784,943)</b>	<b>73,564,663</b>	<b>-77.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 6,699,458,729</b>	<b>6,480,788,585</b>	<b>7,101,843,651</b>	<b>621,055,066</b>	<b>9.6%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(6,485,371,494)</b>	<b>(6,907,224,446)</b>	<b>(7,396,685,935)</b>	<b>(489,461,489)</b>	<b>7.1%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 214,087,235</b>	<b>(426,435,861)</b>	<b>(294,842,284)</b>	<b>131,593,577</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		655,622,055	723,975,776		
Capital Outlay		(154,074,037)	(185,091,891)		
Trsfrs for Debt Service-Principal/Lease Principal		(6,128,000)	(79,600,951)		
Budgeted Transfers		(41,563,560)	(34,207,075)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>27,420,597</b>	<b>130,233,575</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Academic Institutions**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 1,588,106,848	1,882,359,876	2,004,445,129	122,085,253	6.5%
Academic Support	677,232,837	693,837,391	702,200,071	8,362,680	1.2%
Research	992,751,514	1,007,828,861	993,042,798	(14,786,063)	-1.5%
Public Service	178,376,256	196,318,437	193,483,402	(2,835,035)	-1.4%
Hospitals and Clinics	133,166,627	136,926,315	168,229,345	31,303,030	22.9%
Institutional Support	408,534,754	449,932,012	580,271,180	130,339,168	29.0%
Student Services	259,062,276	266,462,729	264,479,776	(1,982,953)	-0.7%
Operations and Maintenance of Plant	425,710,325	386,482,280	417,744,954	31,262,674	8.1%
Scholarships and Fellowships	490,941,956	485,429,586	583,203,999	97,774,413	20.1%
Auxiliary Enterprises	519,243,973	630,409,726	639,973,491	9,563,765	1.5%
Depreciation and Amortization	677,187,393	655,622,055	723,975,776	68,353,721	10.4%
Total Operating Expenses	\$ 6,350,314,759	6,791,609,268	7,271,049,921	479,440,653	7.1%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 1,833,341,539	1,887,728,575	54,387,036	3.0%
Designated	2,459,080,874	2,700,704,113	241,623,239	9.8%
Auxiliary	663,617,980	679,843,041	16,225,061	2.4%
Available University Fund	417,087,000	440,977,000	23,890,000	5.7%
Restricted	1,727,890,800	2,056,806,339	328,915,539	19.0%
Unexpended Plant	15,161,526	15,079,960	(81,566)	-0.5%
Subtotal - Expenditures (All Funds)	7,116,179,719	7,781,139,028	664,959,309	9.3%
Reconciling Adjustments:				
Tuition Discounting	(704,375,291)	(843,736,027)	(139,360,736)	19.8%
Depreciation	655,622,055	723,975,776	68,353,721	10.4%
Capital Outlay	(154,074,037)	(185,091,891)	(31,017,854)	20.1%
Trsfers for Debt Service - Principal/Lease Principal	(6,128,000)	(79,600,951)	(73,472,951)	1199.0%
Total Expenses (Including Transfers for Interest)	\$ 6,907,224,446	7,396,685,935	489,461,489	7.1%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Health-Related Institutions**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 211,144,405	199,417,642	220,073,739	20,656,097	10.4%
Less Discounts and Allowances	(9,806,567)	(8,569,430)	(9,413,453)	(844,023)	9.8%
Federal Sponsored Programs	968,567,535	857,288,271	990,080,165	132,791,894	15.5%
State Sponsored Programs	157,144,876	165,235,213	177,747,493	12,512,280	7.6%
Local and Private Sponsored Programs	1,694,457,036	1,575,556,070	1,777,662,842	202,106,772	12.8%
Net Sales and Services of Educational Activities	105,751,548	83,787,443	85,559,319	1,771,876	2.1%
Net Sales and Services of Hospital and Clinics	7,799,930,358	7,517,456,522	8,310,155,099	792,698,577	10.5%
Net Professional Fees	2,108,731,552	2,173,949,915	2,239,669,645	65,719,730	3.0%
Net Auxiliary Enterprises	92,360,128	113,807,423	106,491,827	(7,315,596)	-6.4%
Other Operating Revenues	511,968,795	408,776,837	499,783,674	91,006,837	22.3%
<b>Total Operating Revenues</b>	<b>13,640,249,666</b>	<b>13,086,705,906</b>	<b>14,397,810,350</b>	<b>1,311,104,444</b>	<b>10.0%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	2,771,690,971	2,734,626,907	2,875,869,097	141,242,190	5.2%
Compensation - Non-Faculty	4,454,705,481	4,357,688,779	4,686,481,671	328,792,892	7.5%
Wages	204,130,040	206,173,017	217,215,985	11,042,968	5.4%
Benefits	1,881,355,977	1,785,514,911	1,966,130,622	180,615,711	10.1%
Personnel Costs	9,311,882,469	9,084,003,614	9,745,697,375	661,693,761	7.3%
Utilities	141,486,015	145,527,991	143,890,014	(1,637,977)	-1.1%
Scholarships and Fellowships	41,725,168	38,293,129	41,887,514	3,594,385	9.4%
Less Discounts and Allowances	(9,815,785)	(8,569,430)	(9,413,453)	(844,023)	9.8%
Operations, Maintenance and Travel	5,009,289,498	5,279,830,309	5,704,947,990	425,117,681	8.1%
Less Capitalized Portion and Cap Lease Activity	(581,501,126)	(1,030,528,364)	(1,076,829,493)	(46,301,129)	4.5%
Depreciation and Amortization	927,660,405	915,963,442	1,038,876,044	122,912,602	13.4%
<b>Total Operating Expenses</b>	<b>14,840,726,644</b>	<b>14,424,520,691</b>	<b>15,589,055,991</b>	<b>1,164,535,300</b>	<b>8.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(1,200,476,978)</b>	<b>(1,337,814,785)</b>	<b>(1,191,245,641)</b>	<b>146,569,144</b>	<b>-11.0%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	1,088,995,139	1,191,265,579	1,204,459,890	13,194,311	1.1%
Federal Sponsored Programs (Nonoperating)	322,632,236	3,802,030	8,673,124	4,871,094	128.1%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	201,128,453	186,707,706	211,760,372	25,052,666	13.4%
Net Investment Income	645,063,965	571,180,617	624,095,144	52,914,527	9.3%
Other Non-Operating Revenue	259,784	29,166	29,166	-	0.0%
Other Non-Operating (Expenses)	(53,097,572)	(291,165)	(112,500)	178,665	-61.4%
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>2,204,982,005</b>	<b>1,952,693,933</b>	<b>2,048,905,196</b>	<b>96,211,263</b>	<b>4.9%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(102,034,489)	(116,791,515)	(129,530,404)	(12,738,889)	10.9%
<b>Total Transfers and Other</b>	<b>(102,034,489)</b>	<b>(116,791,515)</b>	<b>(129,530,404)</b>	<b>(12,738,889)</b>	<b>10.9%</b>
<b>Budget Margin (Deficit)</b>	<b>902,470,538</b>	<b>498,087,633</b>	<b>728,129,151</b>	<b>230,041,518</b>	<b>46.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	5,585,383	3,220,483	3,025,383	(195,100)	-6.1%
Net Inc./(Dec.) in Fair Value of Investments	201,670,391	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	27,814,314	49,117,058	31,787,024	(17,330,034)	-35.3%
Additions to Permanent Endowments	71,101,338	53,894,305	56,329,592	2,435,287	4.5%
Transfers for Debt Service - Principal	(96,641,762)	(84,808,000)	(257,959,767)	(173,151,767)	204.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	1,375,616,183	349,841,504	254,518,427	(95,323,077)	-27.2%
<b>SRECNP Change in Net Position</b>	<b>\$ 2,487,616,385</b>	<b>869,352,983</b>	<b>815,829,810</b>	<b>(53,523,173)</b>	<b>-6.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 15,898,329,243</b>	<b>15,039,691,004</b>	<b>16,446,828,046</b>	<b>1,407,137,042</b>	<b>9.4%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(14,995,858,705)</b>	<b>(14,541,603,371)</b>	<b>(15,718,698,895)</b>	<b>(1,177,095,524)</b>	<b>8.1%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 902,470,538</b>	<b>498,087,633</b>	<b>728,129,151</b>	<b>230,041,518</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		915,963,442	1,038,876,044		
Capital Outlay		(1,030,528,364)	(980,887,914)		
Trsfers for Debt Service-Principal/Lease Principal		(84,808,000)	(344,378,034)		
Budgeted Transfers		(175,287)	(1,356,244)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>298,539,424</b>	<b>440,383,003</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Health-Related Institutions  
Operating Budget - Operating Expenses by Function  
Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 2,965,375,504	2,837,447,445	2,902,776,306	65,328,861	2.3%
Academic Support	433,092,079	425,964,251	440,812,875	14,848,624	3.5%
Research	1,784,943,916	1,738,633,028	1,878,367,264	139,734,236	8.0%
Public Service	172,769,371	156,808,889	191,671,511	34,862,622	22.2%
Hospitals and Clinics	7,483,567,474	7,255,883,414	8,020,376,916	764,493,502	10.5%
Institutional Support	483,563,612	480,194,984	487,132,867	6,937,883	1.4%
Student Services	25,766,992	27,534,495	26,780,670	(753,825)	-2.7%
Operations and Maintenance of Plant	449,736,369	456,105,721	465,081,990	8,976,269	2.0%
Scholarships and Fellowships	32,893,490	34,972,494	39,466,094	4,493,600	12.8%
Auxiliary Enterprises	82,163,569	95,012,528	97,713,454	2,700,926	2.8%
Depreciation and Amortization	926,854,268	915,963,442	1,038,876,044	122,912,602	13.4%
Total Operating Expenses	\$ 14,840,726,644	14,424,520,691	15,589,055,991	1,164,535,300	8.1%

**Operating Budget - Expenditures by Fund  
Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 5,496,092,799	6,190,812,960	694,720,161	12.6%
Designated	6,708,292,067	7,158,890,036	450,597,969	6.7%
Auxiliary	112,310,819	125,516,418	13,205,599	11.8%
Available University Fund	-	-	-	-
Restricted	1,459,148,458	1,593,250,293	134,101,835	9.2%
Unexpended Plant	973,701,580	946,032,545	(27,669,035)	-2.8%
Subtotal - Expenditures (All Funds)	14,749,545,723	16,014,502,252	1,264,956,529	8.6%
Reconciling Adjustments:				
Tuition Discounting	(8,569,430)	(9,413,453)	(844,023)	9.8%
Depreciation	915,963,442	1,038,876,044	122,912,602	13.4%
Capital Outlay	(1,030,528,364)	(980,887,914)	49,640,450	-4.8%
Trsfers for Debt Service - Principal/Lease Principal	(84,808,000)	(344,378,034)	(259,570,034)	306.1%
Total Expenses (Including Transfers for Interest)	\$ 14,541,603,371	15,718,698,895	1,177,095,524	8.1%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS  
SYSTEM ADMINISTRATION**



**The University of Texas System Administration**  
**Operating Budget Highlights**  
**Fiscal Year Ending August 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

For more than 135 years, The University of Texas System has been committed to improving the lives of Texans and people all over the world through education, research and health care. Under the direction of the Board of Regents and the Chancellor, The University of Texas System Administration supports this commitment by fulfilling the statutory roles of oversight and coordination.

The FY 2022 budget is built on a recurring Available University Fund (AUF) requirement of \$93.3 million, an increase of \$1.3 million from FY 2021. This proposed AUF level requires no use of balances to support ongoing U. T. System Administration activities, including direct campus support. As a percentage of the overall AUF available to U. T. System, the portion related to U. T. System Administration including for direct campus support is reduced by over seven percent since FY 2017 and almost one-half percent since last year to 11.26 percent of the budgeted U. T. System AUF share for FY 2022.

The core U. T. System Administration AUF-fund budget for FY 2022 is \$51.8 million, reflecting a sub-inflationary 2.5 percent increase from FY 2021. Direct campus support, those funds which support direct campus activities which were moved to the UT System in FY2015 to offset tuition increases, is proposed to utilize, is proposed to utilize approximately \$41.5 million of AUF and is unchanged from FY 2021. For FY 2022, the total proposed budgeted full-time equivalent employees (FTEs) are relatively stable, with only a handful of essential position increases.

**Revenue**

Budgeted Revenue for U. T. System Administration is \$654.9 million, up \$29.2 million (4.7 percent). The growth principally results from an increase in the U. T. System's share of the Permanent University Fund (PUF) distribution offset by an increase in the AUF distribution to the University of Texas at Austin. Only the portions of the AUF distribution distributed for PUF bond debt service, for U. T. System Administration operations and any surplus after distributions to U. T. Austin are reflected as revenue in U. T. System Administration's budget. State appropriations are slated to increase by \$3.2 million which is reflective of the U. T. System Administration taking over the Laredo Multi-Institution Center, which was previously part of U. T. Health Science Center - San Antonio. State Sponsored Programs will experience a \$10.2 million increase primarily related to the Joint Admission Medical Program, which will receive its full biennial appropriation in FY 2022. This is offset by a decline of \$7.1 million for the federally sponsored Employee Group Waiver Plan (EGWP) which is related to Medicare Part D retiree prescription drug coverage administered as part of the health insurance program.

**Expenses**

U. T. System Administration's FY 2022 budgeted expenses (including transfers for interest) have decreased \$12.5 million (<3.9> percent), primarily from decreased PUF and tuition revenue bond interest (\$11.9 million). Notably, Operating Expenses remain relatively flat, reflecting a decrease of \$0.6 million. Highlights include \$3.6 million of new expenditures related to the oversight of the Laredo Multi-Institution Center offset by a 24 percent decrease in expenses related to EGWP. A merit policy of 3% plus the cost of associated fringes has been proposed and included in the budgeted expenses. Also reflected are limited funds related to promotions, equity and reclassifications.

**The University of Texas System Administration**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ -	-	-	-	-
Less Discounts and Allowances	-	-	-	-	-
Federal Sponsored Programs	32,386,176	36,950,000	29,832,046	(7,117,954)	-19.3%
State Sponsored Programs	-	500,000	10,671,794	10,171,794	2034.4%
Local and Private Sponsored Programs	-	-	-	-	-
Net Sales and Services of Educational Activities	9,342,104	2,446,300	2,785,750	339,450	13.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	-	-	-	-	-
Other Operating Revenues	35,720,212	4,686,777	4,560,514	(126,263)	-2.7%
<b>Total Operating Revenues</b>	<b>77,448,492</b>	<b>44,583,077</b>	<b>47,850,104</b>	<b>3,267,027</b>	<b>7.3%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	-	-	-	-	-
Compensation - Non-Faculty	40,296,544	31,560,860	33,373,134	1,812,274	5.7%
Wages	719,000	728,686	809,859	81,173	11.1%
Benefits	(356,981,727)	8,650,753	9,325,362	674,609	7.8%
Personnel Costs	(315,966,183)	40,940,299	43,508,355	2,568,056	6.3%
Utilities	325,167	-	-	-	-
Scholarships and Fellowships	618,667	1,794,360	1,894,360	100,000	5.6%
Less Discounts and Allowances	-	-	-	-	-
Operations, Maintenance and Travel	1,788,237,042	101,793,993	98,530,733	(3,263,260)	-3.2%
Less Capitalized Portion and Cap Lease Activity	(50,000)	(1,000,000)	(2,310,874)	(1,310,874)	131.1%
Depreciation and Amortization	15,492,528	14,705,345	15,972,481	1,267,136	8.6%
<b>Total Operating Expenses</b>	<b>1,488,657,221</b>	<b>158,233,997</b>	<b>157,595,055</b>	<b>(638,942)</b>	<b>-0.4%</b>
<b>Operating Surplus/Deficit</b>	<b>(1,411,208,729)</b>	<b>(113,650,920)</b>	<b>(109,744,951)</b>	<b>3,905,969</b>	<b>-3.4%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	210,734,190	207,593,990	210,656,038	3,062,048	1.5%
Federal Sponsored Programs (Nonoperating)	-	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	409,063	400,000	400,000	-	0.0%
Net Investment Income	(53,644,851)	790,146,436	836,869,183	46,722,747	5.9%
Other Non-Operating Revenue	1,564,913	100,000	100,000	-	0.0%
Other Non-Operating (Expenses)	(137,504)	(100,000)	(100,000)	-	0.0%
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>158,925,811</b>	<b>998,140,426</b>	<b>1,047,925,221</b>	<b>49,784,795</b>	<b>5.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	92,000,000	92,000,000	93,263,511	1,263,511	1.4%
AUF Transfers (Made) for Operations	(510,905,476)	(509,087,000)	(534,240,511)	(25,153,511)	4.9%
Transfers for Debt Service-Interest/Lease Interest	(158,678,816)	(160,564,426)	(148,708,122)	11,856,304	-7.4%
<b>Total Transfers and Other</b>	<b>(577,584,292)</b>	<b>(577,651,426)</b>	<b>(589,685,122)</b>	<b>(12,033,696)</b>	<b>2.1%</b>
<b>Budget Margin (Deficit)</b>	<b>(1,829,867,210)</b>	<b>306,838,080</b>	<b>348,495,148</b>	<b>41,657,068</b>	<b>13.6%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	3,495,552,543	-	-	-	-
Interest Expense on Capital Asset Financings	(317,848,775)	(392,971,119)	(403,874,540)	(10,903,421)	2.8%
Capital Approp., Gifts and Sponsored Programs	19,973,091	19,601,000	19,263,802	(337,198)	-1.7%
Additions to Permanent Endowments	149,000,000	128,152,305	157,764,992	29,612,687	23.1%
Transfers for Debt Service - Principal	(322,785,000)	(310,174,478)	(345,981,167)	(35,806,689)	11.5%
Reverse Transfers for Debt Service (System Only)	810,706,647	794,081,597	1,070,712,234	276,630,637	34.8%
Transfers and Other	4,355,764,145	(58,199,445)	(43,756,188)	14,443,257	-24.8%
<b>SRECNP Change in Net Position</b>	<b>\$ 6,360,495,441</b>	<b>487,327,940</b>	<b>802,624,281</b>	<b>315,296,341</b>	<b>64.7%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ (182,393,669)</b>	<b>625,736,503</b>	<b>654,898,325</b>	<b>29,161,822</b>	<b>4.7%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,647,473,541)</b>	<b>(318,898,423)</b>	<b>(306,403,177)</b>	<b>12,495,246</b>	<b>-3.9%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (1,829,867,210)</b>	<b>306,838,080</b>	<b>348,495,148</b>	<b>41,657,068</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		14,705,345	15,972,481		
Capital Outlay		(1,000,000)	(1,000,000)		
Trsfrs for Debt Service-Principal/Lease Principal		(310,174,478)	(347,208,283)		
Budgeted Transfers		(3,400,136)	(3,233,136)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>6,968,811</b>	<b>13,026,210</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas System Administration**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ -	-	-	-	-
Academic Support	11,024,920	8,267,034	11,868,542	3,601,508	43.6%
Research	-	-	-	-	-
Public Service	3,858,967	2,525,000	3,112,500	587,500	23.3%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	1,457,816,884	130,942,258	124,747,172	(6,195,086)	-4.7%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	142,589	-	-	-	-
Scholarships and Fellowships	321,333	1,794,360	1,894,360	100,000	5.6%
Auxiliary Enterprises	-	-	-	-	-
Depreciation and Amortization	15,492,528	14,705,345	15,972,481	1,267,136	8.6%
Total Operating Expenses	\$ 1,488,657,221	158,233,997	157,595,055	(638,942)	-0.4%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 300,393,990	304,944,549	4,550,559	1.5%
Designated	11,350,898	12,656,572	1,305,674	11.5%
Auxiliary	-	-	-	-
Available University Fund	265,169,914	289,688,501	24,518,587	9.2%
Restricted	38,452,754	31,349,357	(7,103,397)	-18.5%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	615,367,556	638,638,979	23,271,423	3.8%
Reconciling Adjustments:				
Tuition Discounting	-	-	-	-
Depreciation	14,705,345	15,972,481	1,267,136	8.6%
Capital Outlay	(1,000,000)	(1,000,000)	-	0.0%
Trsfers for Debt Service-Principal/Lease Principal	(310,174,478)	(347,208,283)	(37,033,805)	11.9%
Total Expenses (Including Transfers for Interest)	\$ 318,898,423	306,403,177	(12,495,246)	-3.9%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**AT ARLINGTON**



**THE UNIVERSITY OF TEXAS AT ARLINGTON**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas at Arlington is a Carnegie R-1 “very high research activity” institution and the second largest campus in the U. T. System. The U.S. News and World Report ranked many of the University’s graduate degree programs among the top 100 in the nation. The National League for Nursing has designated the College of Nursing and Health Innovation as a Center of Excellence, making the University one of only three in Texas to receive that honor. Military Times also named the University again for a second consecutive year the top four-year institution for veterans in the nation. The University is also the third largest transfer destination in the country and home to the sixth most diverse student population.

U. T. Arlington has developed the FY 2022 budget with a focus on the mission and strategic priorities of the University. Specifically, funding was aligned to better support additional faculty hiring, development of an e-learning transformation platform to adapt to heavy use of digital tools in teaching and research, merit salary increases for faculty and staff, student success initiatives, creation of the new Diversity, Equity and Inclusion unit, reorganization of the Human Resources department, and creation of more effective student engagement spaces. The University has also taken steps to control costs and minimize risks of potential economic factors. With the support of the U. T. System and the Texas Legislature, the University realized an increase in state appropriations for the upcoming biennium.

**Revenue**

Total budgeted revenue for FY 2022 is approximately \$752 million, an increase of one percent. State appropriations will increase sixteen percent in FY 2022, offsetting the previous biennium budget reduction and infusing additional funds to support the students, faculty, and staff at U. T. Arlington. The anticipated addition of National Research University Fund (NRUF) funding as Texas’ newest Tier 1 university will yield an estimated \$6 million in funding.

Net tuition and fee revenue is projected to decrease 2.4 percent based on changing enrollment demographics. While the overall enrollment trend remains positive, there has been a shift in student composition over the last three years and the University has experienced a decline in non-resident paying students and graduate students. A projected increase in undergraduate enrollment and the previously approved increase in tuition rates offset a portion of the decline in tuition revenue.

Auxiliary revenues, sales and services, and other operating revenues are expected to rebound in FY 2022, as the university resumes closer to normal operations. However, these revenues have been budgeted conservatively.

**Expenses**

U. T. Arlington’s operating expenses are expected to increase minimally in FY 2022 to a total of \$751 million. Budget increases are focused on addressing student success initiatives, student support projects, faculty and staff recruitment and retention, campus security, and merit salary increases. Merit increases total a three percent increase in university salaries. The student support expenditure increases related to counseling, health services, and student success initiatives were part of the tuition increase proposal approved in 2018. Additional expenditures of \$2 million are also planned for the rural nursing and health program, with funding provided during the legislative session. The additional \$6 million in NRUF revenue would be used as a strategic pool to support faculty and student research and academic excellence.

U. T. Arlington has taken steps to control costs and minimize risks of potential economic factors. To accommodate the decrease in net tuition and fees, all departments were asked to begin their FY 2022 budget planning with a 1.5 percent decrease in operating expenditures. This allowed the University to maintain a balanced budget while also honoring the commitment to expenditure increases approved as part of the tuition increase. Budgeted expenditures related to accelerated online programs are expected to decrease due to a decline in enrollment in those programs.

**The University of Texas at Arlington**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 454,478,338	462,707,488	451,551,096	(11,156,392)	-2.4%
Less Discounts and Allowances	(120,758,417)	(111,074,133)	(112,887,774)	(1,813,641)	1.6%
Federal Sponsored Programs	56,525,749	60,182,827	62,796,276	2,613,449	4.3%
State Sponsored Programs	22,118,771	23,398,198	29,836,090	6,437,892	27.5%
Local and Private Sponsored Programs	3,276,855	12,325,000	12,325,000	-	0.0%
Net Sales and Services of Educational Activities	23,228,016	24,945,284	22,672,712	(2,272,572)	-9.1%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	32,504,418	47,869,507	46,431,008	(1,438,499)	-3.0%
Other Operating Revenues	5,596,009	5,032,600	5,050,000	17,400	0.3%
<b>Total Operating Revenues</b>	<b>476,969,739</b>	<b>525,386,771</b>	<b>517,774,408</b>	<b>(7,612,363)</b>	<b>-1.4%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	133,551,332	137,972,662	144,915,078	6,942,416	5.0%
Compensation - Non-Faculty	149,838,079	153,530,853	156,404,708	2,873,855	1.9%
Wages	42,345,544	41,808,238	39,991,885	(1,816,353)	-4.3%
Benefits	86,952,954	97,299,764	103,417,509	6,117,745	6.3%
Personnel Costs	412,687,909	430,611,517	444,729,180	14,117,663	3.3%
Utilities	10,750,000	10,622,059	10,346,101	(275,958)	-2.6%
Scholarships and Fellowships	163,085,497	155,865,108	157,791,424	1,926,316	1.2%
Less Discounts and Allowances	(120,758,417)	(111,074,133)	(112,887,774)	(1,813,641)	1.6%
Operations, Maintenance and Travel	199,986,786	239,131,553	221,778,933	(17,352,620)	-7.3%
Less Capitalized Portion and Cap Lease Activity	(26,171,046)	(30,444,363)	(29,594,180)	850,183	-2.8%
Depreciation and Amortization	58,273,125	54,330,420	58,875,448	4,545,028	8.4%
<b>Total Operating Expenses</b>	<b>697,853,854</b>	<b>749,042,161</b>	<b>751,039,132</b>	<b>1,996,971</b>	<b>0.3%</b>
<b>Operating Surplus/Deficit</b>	<b>(220,884,115)</b>	<b>(223,655,390)</b>	<b>(233,264,724)</b>	<b>(9,609,334)</b>	<b>4.3%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	128,036,036	128,036,036	148,877,082	20,841,046	16.3%
Federal Sponsored Programs (Nonoperating)	65,438,841	63,000,000	63,000,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	-	275,000	275,000	-	0.0%
Gifts in Support of Operations	10,808,393	7,999,486	3,957,612	(4,041,874)	-50.5%
Net Investment Income	28,174,357	17,555,407	18,163,106	607,699	3.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	(10,395,155)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>222,062,472</b>	<b>216,865,929</b>	<b>234,272,800</b>	<b>17,406,871</b>	<b>8.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(10,023,394)	(10,023,394)	(9,742,808)	280,586	-2.8%
<b>Total Transfers and Other</b>	<b>(10,023,394)</b>	<b>(10,023,394)</b>	<b>(9,742,808)</b>	<b>280,586</b>	<b>-2.8%</b>
<b>Budget Margin (Deficit)</b>	<b>(8,845,037)</b>	<b>(16,812,855)</b>	<b>(8,734,732)</b>	<b>8,078,123</b>	<b>-48.0%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	3,500,000	3,800,000	3,800,000	-	0.0%
Additions to Permanent Endowments	4,500,000	3,000,000	3,000,000	-	0.0%
Transfers for Debt Service - Principal	-	-	(9,847,000)	(9,847,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	21,600,000	2,000,000	31,000,000	29,000,000	1450.0%
<b>SRECNP Change in Net Position</b>	<b>\$ 20,754,963</b>	<b>(8,012,855)</b>	<b>19,218,268</b>	<b>27,231,123</b>	<b>-339.8%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 709,427,366</b>	<b>742,252,700</b>	<b>752,047,208</b>	<b>9,794,508</b>	<b>1.3%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(718,272,403)</b>	<b>(759,065,555)</b>	<b>(760,781,940)</b>	<b>(1,716,385)</b>	<b>0.2%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (8,845,037)</b>	<b>(16,812,855)</b>	<b>(8,734,732)</b>	<b>8,078,123</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		54,330,420	58,875,448		
Capital Outlay		(30,444,363)	(29,379,096)		
Trsfers for Debt Service-Principal/Lease Principal		-	(10,061,348)		
Budgeted Transfers		1,769	-		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>7,074,971</b>	<b>10,700,272</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Arlington**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 191,041,213	235,172,275	238,213,508	3,041,233	1.3%
Academic Support	52,710,130	54,800,832	54,655,872	(144,960)	-0.3%
Research	100,366,409	95,378,070	98,063,918	2,685,848	2.8%
Public Service	15,553,124	14,831,414	14,368,271	(463,143)	-3.1%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	55,855,439	75,278,855	72,322,540	(2,956,315)	-3.9%
Student Services	89,507,174	91,876,399	89,609,578	(2,266,821)	-2.5%
Operations and Maintenance of Plant	35,734,982	30,854,650	29,190,438	(1,664,212)	-5.4%
Scholarships and Fellowships	42,327,080	38,318,576	36,914,295	(1,404,281)	-3.7%
Auxiliary Enterprises	56,485,178	58,200,670	58,825,264	624,594	1.1%
Depreciation and Amortization	58,273,125	54,330,420	58,875,448	4,545,028	8.4%
Total Operating Expenses	\$ 697,853,854	749,042,161	751,039,132	1,996,971	0.3%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 247,429,682	251,989,485	4,559,803	1.8%
Designated	376,671,999	376,411,439	(260,560)	-0.1%
Auxiliary	71,310,531	79,806,534	8,496,003	11.9%
Available University Fund	-	-	-	-
Restricted	149,056,893	144,442,726	(4,614,167)	-3.1%
Unexpended Plant	1,784,526	1,584,526	(200,000)	-11.2%
Subtotal - Expenditures (All Funds)	846,253,631	854,234,710	7,981,079	0.9%
Reconciling Adjustments:				
Tuition Discounting	(111,074,133)	(112,887,774)	(1,813,641)	1.6%
Depreciation	54,330,420	58,875,448	4,545,028	8.4%
Capital Outlay	(30,444,363)	(29,379,096)	1,065,267	-3.5%
Trsfers for Debt Service - Principal/Lease Principal	-	(10,061,348)	(10,061,348)	-
Total Expenses (Including Transfers for Interest)	\$ 759,065,555	760,781,940	1,716,385	0.2%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**AT AUSTIN**



**THE UNIVERSITY OF TEXAS AT AUSTIN**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

As the country emerges from the COVID-19 pandemic, The University of Texas at Austin faces a unique opportunity to align its talent, resources, and strengths toward a future among the very best public and elite private universities, serving as a preferred home for top faculty, students, and staff. At the direction of President Jay Hartzell, U. T. Austin currently is in the process of formulating a new strategic vision and plan to carry out this mission. The FY 2022 budget is well positioned to support the initiatives that emerge from this effort and provides the financial resources that will be crucial to converting U. T. Austin's new strategic plan into substantive institutional change and growth.

The FY 2022 budget continues the commitment to student success initiatives, including peer mentoring, academic support, and scholarship access, which have helped U. T. Austin achieve all-time high graduation and retention rates. Specifically, the four-year graduation rate reached 72.2 percent in 2020. Ten years ago, prior to implementation of these initiatives, the rate was 52.5 percent. This represents one of the largest improvements over such a short period of time in American higher education. In addition, U. T. Austin's first-year retention rate rose to a record high 96.7 percent. Fully funding student initiatives is imperative to the continued success of these and future programs.

U. T. Austin also is reaching new heights in campus diversity: the percentages of Black and Hispanic undergraduates have reached all-time highs, at 5.5 percent and 26.1 percent respectively. For the first time in its history, U. T. Austin has surpassed the 25 percent enrollment threshold to be considered as a Hispanic Serving Institution. President Hartzell recently promised to create an environment "in which students, faculty, and staff are fully supported before, during, and after their time at U. T. Austin." This pledge is being implemented through a variety of faculty, staff, and student diversity, equity, and inclusion initiatives. For example, the FY 2022 budget initiates a commitment of nearly \$9.0 million to campus diversity projects including redesigning and dedicating major space to honoring Heman M. Sweatt in T. S. Painter Hall, and the Precursors with a tribute on the East Mall.

Faculty are at the heart of U. T. Austin's education and research mission. The FY 2022 budget continues the strategic investment in the Faculty Investment Initiative (FII), part of the ongoing investment to recruit and retain excellent and diverse faculty. U. T. Austin is winding down FII's second phase, a 5-year commitment of \$45.0 million. FII includes preemptive retention salary increases for faculty at greatest risk of being recruited away, enhanced replacement hiring, and additional faculty lines for cluster and interdisciplinary hiring. A component of FII is to encourage departments to focus on senior faculty hires to increase their current research capacity. There currently are 46 active faculty searches supported in the FY 2022 budget, with 90 more scheduled for FY 2023.

U. T. Austin is transforming health education, patient care, and medical research as it seeks to improve healthcare across Central Texas. Dell Medical School continues to focus on recruiting and developing innovative healthcare leaders. It graduated its second class of physicians in May 2021, and continues its work with Ascension Seton and more than 60 other hospitals and clinics to provide formative clinical experiences for doctors in training. In 2021, the number of medical residents who were providing care in local clinics and hospitals grew to 346. In FY 2022 the medical school will benefit from increased funding formula support from the state.

**Revenue**

In FY 2022, U. T. Austin will realize an increase of \$51.3 million in available state general revenue. This is primarily due to the one-time state funding reduction of \$28.0 million taken in FY 2021, as well as by funding formula increases passed by the 87th Legislature, and the \$8.8 million for the Darrell K Royal Texas Alzheimer's Initiative being entirely appropriated in the first year of the fiscal biennium. Gross tuition and fees are projected to increase by \$45.4 million due to the Board-approved 2.6 percent tuition rate increase as well as to projected increases in undergraduate resident enrollment (1.1 percent) and nonresident enrollment (29.0 percent). The FY 2022 budget also contains \$75.4 million in federal pandemic relief institutional funding and \$52.0 million in federal student grant funding from the Higher Education Emergency Relief Funds II and III.

**Expenses**

U. T. Austin's centrally funded 2.5 percent merit pools for all salary categories, coupled with its structural adjustment pools for tenured faculty and minimum wage increase, are estimated to cost \$28.9 million in FY 2022, and will aid in retention of valuable staff who contribute to the university core missions and who have supported the university throughout the COVID-19 pandemic. U. T. Austin also has committed \$8.9 million in recurring funding in FY 2022 to increase graduate student salaries, and to provide recruitment fellowships to exceptional students in science, technology, engineering, and math. Finally, continued projected growth in Dell Medical School's clinical programs, particularly in pediatric and congenital heart disease and other surgery centers, will drive a projected increase of \$23.6 million in hospital and clinic expenditures.

**The University of Texas at Austin**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 653,940,000	675,068,357	720,500,386	45,432,029	6.7%
Less Discounts and Allowances	(134,940,000)	(135,000,000)	(196,800,000)	(61,800,000)	45.8%
Federal Sponsored Programs	581,442,731	476,098,371	481,106,646	5,008,275	1.1%
State Sponsored Programs	62,673,542	65,204,466	61,038,364	(4,166,102)	-6.4%
Local and Private Sponsored Programs	179,983,727	142,345,440	212,786,986	70,441,546	49.5%
Net Sales and Services of Educational Activities	282,900,000	300,818,858	302,605,655	1,786,797	0.6%
Net Sales and Services of Hospital and Clinics	-	-	1,600,000	1,600,000	-
Net Professional Fees	11,000,000	65,972,727	9,278,628	(56,694,099)	-85.9%
Net Auxiliary Enterprises	189,000,000	334,996,878	301,677,827	(33,319,051)	-9.9%
Other Operating Revenues	12,100,000	9,891,767	12,625,319	2,733,552	27.6%
<b>Total Operating Revenues</b>	<b>1,838,100,000</b>	<b>1,935,396,864</b>	<b>1,906,419,811</b>	<b>(28,977,053)</b>	<b>-1.5%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	464,914,941	442,278,377	477,743,232	35,464,855	8.0%
Compensation - Non-Faculty	917,691,743	883,312,192	912,016,134	28,703,942	3.2%
Wages	48,293,316	45,665,183	44,461,652	(1,203,531)	-2.6%
Benefits	431,600,000	403,272,162	402,511,155	(761,007)	-0.2%
Personnel Costs	1,862,500,000	1,774,527,914	1,836,732,173	62,204,259	3.5%
Utilities	77,300,000	81,718,410	76,133,753	(5,584,657)	-6.8%
Scholarships and Fellowships	312,140,000	352,318,399	423,494,265	71,175,866	20.2%
Less Discounts and Allowances	(134,940,000)	(135,000,000)	(196,800,000)	(61,800,000)	45.8%
Operations, Maintenance and Travel	662,912,191	1,031,407,395	1,104,743,786	73,336,391	7.1%
Less Capitalized Portion and Cap Lease Activity	(152,912,191)	(86,235,094)	(116,905,682)	(30,670,588)	35.6%
Depreciation and Amortization	367,000,000	338,000,000	380,661,189	42,661,189	12.6%
<b>Total Operating Expenses</b>	<b>2,994,000,000</b>	<b>3,356,737,024</b>	<b>3,508,059,484</b>	<b>151,322,460</b>	<b>4.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(1,155,900,000)</b>	<b>(1,421,340,160)</b>	<b>(1,601,639,673)</b>	<b>(180,299,513)</b>	<b>12.7%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	317,100,000	317,100,007	368,351,869	51,251,862	16.2%
Federal Sponsored Programs (Nonoperating)	65,400,000	45,000,000	174,648,715	129,648,715	288.1%
State/Local Sponsored Programs (Nonoperating)	35,000,000	35,000,000	35,000,000	-	0.0%
Gifts in Support of Operations	187,800,000	168,840,682	180,768,686	11,928,004	7.1%
Net Investment Income	328,600,000	282,139,107	290,015,493	7,876,386	2.8%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>933,900,000</b>	<b>848,079,796</b>	<b>1,048,784,763</b>	<b>200,704,967</b>	<b>23.7%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	418,905,476	417,087,000	440,977,000	23,890,000	5.7%
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(68,000,000)	(60,483,000)	(70,414,693)	(9,931,693)	16.4%
<b>Total Transfers and Other</b>	<b>350,905,476</b>	<b>356,604,000</b>	<b>370,562,307</b>	<b>13,958,307</b>	<b>3.9%</b>
<b>Budget Margin (Deficit)</b>	<b>128,905,476</b>	<b>(216,656,364)</b>	<b>(182,292,603)</b>	<b>34,363,761</b>	<b>-15.9%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	(21,000)	(21,000)	(20,000)	1,000	-4.8%
Capital Approp., Gifts and Sponsored Programs	100,000,000	100,000,000	41,000,000	(59,000,000)	-59.0%
Additions to Permanent Endowments	58,400,000	58,400,000	82,000,000	23,600,000	40.4%
Transfers for Debt Service - Principal	-	(3,194,000)	(36,512,760)	(33,318,760)	1043.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	31,186,000	31,186,000	31,700,000	514,000	1.6%
<b>SRECNP Change in Net Position</b>	<b>\$ 318,470,476</b>	<b>(30,285,364)</b>	<b>(64,125,363)</b>	<b>(33,839,999)</b>	<b>111.7%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 3,190,905,476</b>	<b>3,200,563,660</b>	<b>3,396,181,574</b>	<b>195,617,914</b>	<b>6.1%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(3,062,000,000)</b>	<b>(3,417,220,024)</b>	<b>(3,578,474,177)</b>	<b>(161,254,153)</b>	<b>4.7%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 128,905,476</b>	<b>(216,656,364)</b>	<b>(182,292,603)</b>	<b>34,363,761</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		338,000,000	380,661,189		
Capital Outlay		(86,235,094)	(95,264,831)		
Trsfrs for Debt Service-Principal/Lease Principal		(3,194,000)	(46,085,912)		
Budgeted Transfers		(41,726,957)	(33,169,382)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>(9,812,415)</b>	<b>23,848,461</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas at Austin**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 683,672,094	914,565,151	957,566,372	43,001,221	4.7%
Academic Support	380,416,862	372,756,289	354,208,893	(18,547,396)	-5.0%
Research	545,095,057	543,767,725	512,877,119	(30,890,606)	-5.7%
Public Service	112,499,143	130,008,016	122,062,468	(7,945,548)	-6.1%
Hospitals and Clinics	81,577,618	85,990,953	109,619,517	23,628,564	27.5%
Institutional Support	178,232,709	180,738,863	277,529,403	96,790,540	53.6%
Student Services	45,491,191	55,649,894	48,413,019	(7,236,875)	-13.0%
Operations and Maintenance of Plant	207,092,801	171,036,534	174,669,216	3,632,682	2.1%
Scholarships and Fellowships	133,139,893	190,488,591	211,311,470	20,822,879	10.9%
Auxiliary Enterprises	277,343,851	373,735,008	359,140,818	(14,594,190)	-3.9%
Depreciation and Amortization	349,438,781	338,000,000	380,661,189	42,661,189	12.6%
Total Operating Expenses	\$ 2,994,000,000	3,356,737,024	3,508,059,484	151,322,460	4.5%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 555,261,002	583,086,878	27,825,876	5.0%
Designated	1,042,388,058	1,119,646,313	77,258,255	7.4%
Auxiliary	347,236,363	329,956,485	(17,279,878)	-5.0%
Available University Fund	417,087,000	440,977,000	23,890,000	5.7%
Restricted	935,176,695	1,055,797,055	120,620,360	12.9%
Unexpended Plant	6,500,000	6,500,000	-	0.0%
Subtotal - Expenditures (All Funds)	3,303,649,118	3,535,963,731	232,314,613	7.0%
Reconciling Adjustments:				
Tuition Discounting	(135,000,000)	(196,800,000)	(61,800,000)	45.8%
Depreciation	338,000,000	380,661,189	42,661,189	12.6%
Capital Outlay	(86,235,094)	(95,264,831)	(9,029,737)	10.5%
Trsfers for Debt Service - Principal/Lease Principal	(3,194,000)	(46,085,912)	(42,891,912)	1342.9%
Total Expenses (Including Transfers for Interest)	\$ 3,417,220,024	3,578,474,177	161,254,153	4.7%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Austin  
Application of Available University Fund (AUF)  
Recommended Budget 2021-22**

The mission of the University is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research, and public service. And all sources of funds (appropriated, AUF, tuition, grants, and gifts) are expended to this end.

According to the Texas Constitution, one of the permitted AUF uses is appropriation for the support and maintenance of the University. Over the years, the AUF has provided the margin of excellence that permits U. T. Austin to achieve and maintain its place as one of the premier public institutions of higher education in the nation.

The margin of excellence and operations support of the University are described below:

**Excellence in Mission:** **\$ 288,977,716**

Instructional Excellence

Enhanced Academic Programs \$ 177,290,901

Academic initiatives at the college and departmental level enhanced by the AUF include curriculum innovation, development of new degree programs, interdisciplinary program planning and coordination, honors programs, internship programs, academic technology and facility support, K-12 and community outreach activities, and continuing education. For FY 21-22, it also includes reserves to be allocated by executive leadership.

Instructional Program Services 7,212,252

These services include educational innovation, student success initiatives, college computing and networking services, instructional and technology enhanced teaching support, provision of Web-based student-faculty communication platforms, teaching effectiveness services, credit by examination, new and experienced faculty training, assessment methods, student course-instructor evaluations, the UT Elementary School, and coordination of University-wide K-12 activities. FY 21-22 also includes administration and coordination of classroom space for the College of Natural Sciences.

Instructional Initiatives and Programs 26,063,538

The School of Undergraduate Studies was developed to enhance the education for all undergraduates through core curriculum, advising, learning communities, signature courses, interdisciplinary programs, and research.

Other instructional initiatives and programs include course transformation and innovation as well as visiting lecturers. Students have access to specialized centers for design and creative technology; pharmacy and nursing experiences; and fine arts productions. Instructional initiatives also includes funds for the Provost's experiential learning initiative as well as support for Texas Student Media. Fiscal Year 2021-22 also includes funding for the Distinguished Service Academy.

**The University of Texas at Austin  
Application of Available University Fund (AUF)  
Recommended Budget 2021-22**

Academic Infrastructure (Libraries, Instructional Technology) 41,131,652

Instructional technology services include providing access to computing, voice and data networks, internet, and email. Library services include access to comprehensive print and digital resources supporting all disciplines, and access to specialized collections within the Humanities Research Center, and the Benson Latin American Collection.

Student Programs and Services 9,564,935

These services encompass new student orientation, career services, welcoming and mentoring programs, enrollment management, student organizations, campus and community involvement, Greek life, services for students with disabilities, student governance, judicial services and volunteer and service learning. Services include funding for the Center for Career Exploration and Development to help students achieve the skills, experiences, and co-curricular knowledge needed for life after graduation. Fiscal Year 2021-22 also includes funds for the Graduation Help Desk as well as new AUF student support for the College of Natural Sciences.

Research Excellence

Research Competitiveness 24,136,438

Support is provided for the critical research infrastructure required for faculty to be competitive for federal, state, and private sector research grant funding, to meet the ever increasing regulatory and compliance requirements associated with this external funding, to provide specialized services for areas such as animal care and high performance computing, and to help support research centers and institutes targeting areas critical to the economic development of Texas and the nation. FY21-22 includes debt service funding for a centralized portion of Dell Medical School's Health Discovery Building.

Outreach Excellence

Academic Program/Community Interface 3,578,000

These programs help define and characterize the role of a flagship institution within the larger community and include such units as: Texas Performing Arts, Blanton Museum, and Winedale Historical Center.

**Recruitment and Retention of Talent:**

Faculty 2,794,346

UT Austin is committed to continuing to advance as one of the world's finest universities. Achieving this goal is directly connected to our ability to recruit and retain faculty of the highest caliber. UT Austin must compete for this top talent.

**79,514,141**

**The University of Texas at Austin  
Application of Available University Fund (AUF)  
Recommended Budget 2021-22**

K-12 Outreach and Undergraduate Students

27,227,465

Funds for various admission, scholarship and retention programs help insure the quality and diversity of students and make a high quality education affordable and accessible to qualified students. The University Outreach Centers provide an intensive college preparatory program for under-represented students beginning in eighth grade and continuing through high school. The purpose is to increase the number of educationally disadvantaged students who graduate from Texas high schools prepared to matriculate and be successful in Texas colleges and universities.

Graduate Students

49,492,330

The intellectual and research accomplishments of the University depend critically on our ability to recruit and retain the very best graduate students from across the nation. These funds provide the scholarships, fellowships and infrastructure support necessary for UT Austin to compete with its peer institutions for these excellent students. Funding includes support for the graduate student investment initiative providing fellowship funds to selective colleges/programs to improve quality of students and to enable grad student support/funding packages competitive with peer universities. FY21-22 includes additional funding to raise TA/Al salaries and to support recruitment fellowships.

**Institutional Accountability and Enhanced Connections to the Public**

**44,459,615**

Institutional accountability programs and offices are dedicated to providing support services for excellence in teaching, research, and public service. Development efforts expand private support by presenting evidence of the University's distinctive character, valuable service, and efficient management. University Communications has leadership responsibility for the institution's interaction with the media and with the public at large. The Office of the Executive Vice President and Provost serves as the chief academic officer of the university overseeing the academic programs on campus. The Office of Institutional Reporting, Research, and Information Systems provides information and analytical support to university decision makers and submits numerous reports to the Texas Higher Education Coordinating Board and the Department of Education. Financial and Administrative Services is dedicated to enhancing the development and delivery of most supporting services for on-campus clients, including public and environmental safety and the integrity of the physical infrastructure of the campus. Project Information Quest (IQ) uses business intelligence tools to provide critical information to University decision makers. Support also includes funding for Workday, the Senior Vice Provost for Global Engagement, and the newly created Division of Investigation and Adjudication, which investigations allegations of discrimination, harassment and other prohibited conduct.

**The University of Texas at Austin  
Application of Available University Fund (AUF)  
Recommended Budget 2021-22**

**Dell Medical School** **25,010,190**

The Dell Medical School at The University of Texas at Austin improves health in Travis County and throughout the country by training new physicians, providing treatment in a new teaching hospital and conducting research to expand knowledge of medicine and medical technology.

**UT System** **3,015,338**

The UT System Office of Telecommunication Services and the Network Bandwidth were established by the UT System Board of Regents to provide other UT campuses with inter-institutional voice, video, and computer communications in support of their missions of instruction and research. These services are managed by UT Austin, and therefore, appear in UT Austin's budget. FY21-22 also includes Cyberinfrastructure Support to provide additional computing power for research throughout the UT System. Additionally, the Board of Regents also established a \$500,000 equipment grant for Nobel Laureate Goodenough, allocated at \$100,000 per year for five years beginning in FY19-20.

UT Austin AUF Budget

**\$ 440,977,000**

**Details**

**Excellence in Mission**

**Instructional Excellence**

Enhanced Academic Programs		<b>177,290,901</b>
Colleges and Schools	87,984,536	
Academic Departments and Centers	89,306,365	
Instructional Program Services		<b>7,212,252</b>
Texas Language Center	80,654	
Natural Sciences Dean's Office Communication Group	693,396	
Academic Information Systems	4,091,848	
Fine Arts Office of Computing Technologies	195,931	
Faculty Innovation Center	663,984	
Undergraduate Studies - Assessment	145,557	
UT Elementary School	120,123	
Information Security Office Network Centralization	1,039,950	
Student Success Initiatives	59,112	
CNS Resource Management	121,697	

**The University of Texas at Austin**  
**Application of Available University Fund (AUF)**  
**Recommended Budget 2021-22**

Instructional Initiatives and Programs		<b>26,063,538</b>
Visiting Lecturers and Academic development	80,000	
Provost Initiatives and Innovations	23,515,274	
Experiential Learning Initiative	131,331	
Fine Arts Projects	157,093	
School for Design & Creative Technology	907,488	
Nursing Children's Wellness Center	93,975	
Nursing Learning Center	1,000	
Texas Student Media Support	33,784	
Undergraduate Programs	87,733	
Signature Courses	887,213	
Distinguished Service Academy	164,455	
Core Curriculum Development	4,192	
Academic Infrastructure		<b>41,131,652</b>
Instructional Technology	17,293,311	
Libraries	23,838,341	
Student Programs and Services		<b>9,564,935</b>
Dean of Students	1,904,907	
Deaf Interpreter Services	782,501	
Services For Students With Disabilities	677,774	
College to Career	3,414,159	
Enrollment Management - Communications	1,200,951	
Enrollment Management - Business Services	844,250	
Student Services	285,345	
Mathematics Lab	75,456	
Graduation Help Desk	307,232	
Natural Sciences Undergraduate Education	72,360	
<b>Research Excellence</b>		<b>24,136,438</b>
Research Competitiveness		
Research grant infrastructure, compliance and support		
VP For Research - Research Support And Compliance Office		
Institutional Capital Projects	10,141,140	
Research Grants	55,100	
Animal Resources Center	1,292,424	
Texas Advanced Computing Center	3,416,567	
College of Liberal Arts - Research	500,447	
Statistics & Scientific Computation Program	431,899	
Research Initiatives		
Organized Research Units	5,913,743	
University Of Texas Press	951,931	
Undergraduate Research	4,987	
Center For Studies In Texas History	370,948	
Research Instruments Laboratory	101,125	
Research Enhancement	325,748	
Integrative Biology - Biodiversity Collections	355,371	
Clements Center for National Security	275,008	

**The University of Texas at Austin  
Application of Available University Fund (AUF)  
Recommended Budget 2021-22**

<b>Outreach Excellence</b>		<b>3,578,000</b>
Academic Program/Community Interface		
Texas Performing Arts	1,076,361	
Jack S. Blanton Museum of Art	2,324,977	
Winedale Historical Center	156,024	
Public Service	20,638	
<b>Recruitment and Retention of Talent:</b>		<b>79,514,141</b>
Initiatives to ensure quality and diversity		
Faculty	2,794,346	
Faculty Development Program	2,163,074	
Faculty Recruitment	631,272	
Undergraduate Students	27,227,465	
Admission	5,208,297	
Enrollment Analytics	577,579	
Enrollment Management	740,552	
Texas Advance Commitment	12,500,000	
Registrar	866,942	
University Outreach Centers	440,416	
Tuition and Fees Scholarship	69,129	
Student Services	1,025,965	
Former Student Records	555,710	
Student Financial Services	2,089,716	
Hardship Waivers	3,113,159	
Institutional Tuition Rebates	40,000	
Graduate Students	49,492,330	
Vice Provost and Dean of Graduate Studies	2,545,312	
Tuition Benefits - Teaching Asst/Asst Instructor	24,760,327	
Graduate Fellowships and Scholarships	17,789,575	
Graduate Research Fellowships and Scholarships	200,000	
Graduate Student Investment Initiative	2,789,230	
L B J School Of Public Affairs Fellowships and Scholarship	1,023,426	
Natural Sciences Dean's Excellence Graduate Awards	180,000	
Natural Sciences Graduate Education	204,460	
<b>Institutional Accountability and Enhanced Connections to the Public</b>		<b>44,459,615</b>
Office of President - Staff Ombuds		
Office of the Executive Vice President And Provost	7,523,418	
Division of Investigation and Adjudication	1,554,520	
Institutional Accreditation And Effectiveness	467,896	
Institutional Reporting, Research, and Information Systems	1,158,318	
Senior Vice President And CFO	348,462	
Senior Vice President And CFO Communications Department	857,803	
University Communications	3,520,126	
Global Engagement	1,385,871	
Equal Employment Opportunity	571,895	
Division of Diversity and Community Engagement	63,852	
IQ Project	2,488,178	
Workday Sustainment	9,145,185	
Workday Contingency	222,353	

**The University of Texas at Austin**  
**Application of Available University Fund (AUF)**  
**Recommended Budget 2021-22**

General Faculty Office	295,635	
Institutional Memberships	532,800	
Institutional Support	698,614	
Liberal Arts Public Affairs	601,387	
Liberal Arts Business Affairs	971,339	
Liberal Arts Centralized Business Office	361,578	
Liberal Arts Human Resources	662,343	
Natural Sciences Business Services	20,000	
Development - support for scholarships, facilities, research, academic programs, faculty endowments, etc.	11,008,042	
<b>Dell Medical School</b>		<b>25,010,190</b>
<b>UT System</b>		<b>3,015,338</b>
Telecomm Services Office - UT System Support	1,153,744	
Telecomm Infrastructure - Network Bandwidth	209,302	
Telecomm Infrastructure - Wide Area Network Support	932,000	
Information Technology Assessments - UT Austin Support	519,088	
UT System Cyberinfrastructure	101,204	
Dr. John B. Goodenough Award	100,000	
TOTAL		<b><u><u>\$ 440,977,000</u></u></b>







**THE UNIVERSITY OF TEXAS**  
**AT DALLAS**



**THE UNIVERSITY OF TEXAS AT DALLAS**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas at Dallas continues to proactively respond to the financial disruptions resulting from the COVID-19 pandemic. For FY 2021, the University experienced significant enrollment declines in first-time-in-college freshman as well as international masters candidates. These declines necessitated budget reductions and reallocations in excess of \$47 million.

Fall 2021 enrollment projections are significantly improved from fall 2020 enrollment. Current estimates place total enrollment at approximately 30,236, an increase of 5.5 percent from fall 2020 and 2.3 percent from fall 2019. These improved enrollment estimates, coupled with a relatively successful formula funding outcome from the 87<sup>th</sup> legislative session, are allowing U. T. Dallas to restore some of the programs and services that were eliminated or placed on hold for FY 2021.

Examples of new and restored programs for FY 2021 include funding to increase the number of tenured and tenure-track faculty at U. T. Dallas; programmatic funding for the newly hired vice president for diversity, equity, and inclusion; restoration of enrollment growth funding to support the academic schools; and a planned restoration of an annual faculty and staff merit program (subject to enrollment verification).

U. T. Dallas is committed to maintaining financial stability while pursuing student, academic and research success metrics. This budget balances our need to restore funding lost because of the COVID-19 pandemic enrollment declines, while providing funding for new initiatives supporting the strategic plan and providing a modest amount of discretionary funding to support opportunities identified during FY 2022 by the president, provost and chief of staff.

**Revenue**

Total budgeted revenue for FY 2022 is approximately \$764.8 million, an increase of \$75.6 million over FY 2021. The FY 2022 revenue budget is based on current projections that are exceeding the FY 2021 budgeted amounts due to the projected enrollment increase for FY 2022.

The increase in operating revenue is due mainly to a net increase in state appropriations (\$27.8 million), increase in federal Higher Education Emergency Response Funding (\$37.8 million), net tuition and fees (\$8.6 million), and other revenue (\$1.4 million). The increase in state appropriations (\$9.1 million) is partly due to the 5 percent state reduction for the 2020-21 biennium entirely being reduced in FY 2021. The \$37.8 million increase in Higher Education Emergency Response Funding (HEERF) federal funding includes a \$10.9 million student share and \$27 million institutional share.

**Expenses**

Budgeted expenses for FY 2022, including transfers for interest, total approximately \$779.8 million, an increase of \$49.8 million over FY 2021. Scholarship expenses account over 50 percent of the total operating expense increase, driven by new HEERF federal funding, Pell Grants, institutional funding, and set asides (\$32.9 million or \$12.9 million net expense).

The FY 2022 budget includes funding for new faculty recruitment (\$6.4 million). Based on positive fall 2021 enrollment, budget restorations have been budgeted to potentially be used for merit and operations (\$9.7 million). The institutional portion of the HEERF funding increase (\$17.4 million) has been reserved for strategic initiatives.

**The University of Texas at Dallas**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 437,687,313	447,527,594	476,074,793	28,547,199	6.4%
Less Discounts and Allowances	(141,436,301)	(149,844,460)	(169,809,948)	(19,965,488)	13.3%
Federal Sponsored Programs	52,909,232	61,235,583	61,302,563	66,980	0.1%
State Sponsored Programs	15,562,652	24,489,297	23,654,678	(834,619)	-3.4%
Local and Private Sponsored Programs	16,723,711	16,188,779	15,294,901	(893,878)	-5.5%
Net Sales and Services of Educational Activities	30,146,492	36,771,830	36,433,854	(337,976)	-0.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	30,611,181	47,916,946	49,121,565	1,204,619	2.5%
Other Operating Revenues	8,506,465	8,187,814	8,975,200	787,386	9.6%
<b>Total Operating Revenues</b>	<b>450,710,745</b>	<b>492,473,383</b>	<b>501,047,606</b>	<b>8,574,223</b>	<b>1.7%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	133,331,841	141,040,719	150,652,231	9,611,512	6.8%
Compensation - Non-Faculty	144,416,702	152,766,477	155,092,872	2,326,395	1.5%
Wages	41,940,308	44,365,181	44,764,631	399,450	0.9%
Benefits	82,271,575	89,695,942	93,157,704	3,461,762	3.9%
Personnel Costs	401,960,426	427,868,319	443,667,438	15,799,119	3.7%
Utilities	11,389,093	12,643,399	12,636,321	(7,078)	-0.1%
Scholarships and Fellowships	205,377,085	200,704,034	233,602,323	32,898,289	16.4%
Less Discounts and Allowances	(141,436,301)	(149,844,460)	(169,809,948)	(19,965,488)	13.3%
Operations, Maintenance and Travel	111,702,229	144,372,787	165,126,178	20,753,391	14.4%
Less Capitalized Portion and Cap Lease Activity	(13,113,598)	(13,113,598)	(18,031,572)	(4,917,974)	37.5%
Depreciation and Amortization	86,572,833	86,399,336	91,832,350	5,433,014	6.3%
<b>Total Operating Expenses</b>	<b>662,451,767</b>	<b>709,029,817</b>	<b>759,023,090</b>	<b>49,993,273</b>	<b>7.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(211,741,022)</b>	<b>(216,556,434)</b>	<b>(257,975,484)</b>	<b>(41,419,050)</b>	<b>19.1%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	111,462,344	100,350,596	128,135,314	27,784,718	27.7%
Federal Sponsored Programs (Nonoperating)	67,794,596	48,856,094	87,860,980	39,004,886	79.8%
State/Local Sponsored Programs (Nonoperating)	3,885,819	3,885,819	1,090,929	(2,794,890)	-71.9%
Gifts in Support of Operations	9,438,853	11,006,000	11,406,000	400,000	3.6%
Net Investment Income	36,672,499	32,689,622	35,294,037	2,604,415	8.0%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>229,254,111</b>	<b>196,788,131</b>	<b>263,787,260</b>	<b>66,999,129</b>	<b>34.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(22,604,803)	(21,046,319)	(20,816,968)	229,351	-1.1%
<b>Total Transfers and Other</b>	<b>(22,604,803)</b>	<b>(21,046,319)</b>	<b>(20,816,968)</b>	<b>229,351</b>	<b>-1.1%</b>
<b>Budget Margin (Deficit)</b>	<b>(5,091,714)</b>	<b>(40,814,622)</b>	<b>(15,005,192)</b>	<b>25,809,430</b>	<b>-63.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	7,600,000	4,000,000	6,800,000	2,800,000	70.0%
Transfers for Debt Service - Principal	(2,934,000)	(2,934,000)	(9,407,000)	(6,473,000)	220.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	127,860,007	5,571,079	7,071,217	1,500,138	26.9%
<b>SRECNP Change in Net Position</b>	<b>\$ 127,434,293</b>	<b>(34,177,543)</b>	<b>(10,540,975)</b>	<b>23,636,568</b>	<b>-69.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 679,964,856</b>	<b>689,261,514</b>	<b>764,834,866</b>	<b>75,573,352</b>	<b>11.0%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(685,056,570)</b>	<b>(730,076,136)</b>	<b>(779,840,058)</b>	<b>(49,763,922)</b>	<b>6.8%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (5,091,714)</b>	<b>(40,814,622)</b>	<b>(15,005,192)</b>	<b>25,809,430</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		86,399,336	91,832,350		
Capital Outlay		(13,113,598)	(14,390,453)		
Trsfrs for Debt Service-Principal/Lease Principal		(2,934,000)	(12,508,857)		
Budgeted Transfers		(514,722)	(507,062)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>29,022,394</b>	<b>49,420,786</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Dallas**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 199,095,464	215,258,619	224,142,662	8,884,043	4.1%
Academic Support	65,197,288	70,490,196	80,950,048	10,459,852	14.8%
Research	103,328,476	111,716,986	106,008,199	(5,708,787)	-5.1%
Public Service	10,471,254	11,321,341	10,487,337	(834,004)	-7.4%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	41,376,938	44,736,040	43,336,317	(1,399,723)	-3.1%
Student Services	18,929,084	20,465,803	20,949,194	483,391	2.4%
Operations and Maintenance of Plant	51,487,306	55,667,197	78,602,017	22,934,820	41.2%
Scholarships and Fellowships	45,437,306	49,126,040	58,956,192	9,830,152	20.0%
Auxiliary Enterprises	40,555,818	43,848,259	43,758,774	(89,485)	-0.2%
Depreciation and Amortization	86,572,833	86,399,336	91,832,350	5,433,014	6.3%
Total Operating Expenses	\$ 662,451,767	709,029,817	759,023,090	49,993,273	7.1%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 183,928,267	208,700,525	24,772,258	13.5%
Designated	421,590,226	432,351,996	10,761,770	2.6%
Auxiliary	63,151,642	62,387,981	(763,661)	-1.2%
Available University Fund	-	-	-	-
Restricted	140,898,723	181,276,464	40,377,741	28.7%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	809,568,858	884,716,966	75,148,108	9.3%
Reconciling Adjustments:				
Tuition Discounting	(149,844,460)	(169,809,948)	(19,965,488)	13.3%
Depreciation	86,399,336	91,832,350	5,433,014	6.3%
Capital Outlay	(13,113,598)	(14,390,453)	(1,276,855)	9.7%
Trsfers for Debt Service - Principal/Lease Principal	(2,934,000)	(12,508,857)	(9,574,857)	326.3%
Total Expenses (Including Transfers for Interest)	\$ 730,076,136	779,840,058	49,763,922	6.8%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**AT EL PASO**



**THE UNIVERSITY OF TEXAS AT EL PASO**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas at El Paso is America's leading Hispanic-Serving University and seeks to provide students an excellent and engaged education in an inclusive university that builds on student's strengths and demonstrates a culture of care. The University advances discovery of public value and positively impact the health, culture, education, and economy of the community it serves. The fostering of well-being in the community so that all live healthier, more prosperous, and culturally enriched lives is critical to the Institution.

The assumption embedded in the University's FY 2022 operating budget reflect the lingering impact of the global COVID-19 pandemic. Students graduating from high school in the spring of 2021 have had significant disruptions to their educational progress. Jobs were lost and some of those jobs will not come back. This impact has been more pronounced in low-income communities like those that the University serves.

The FY 2022 operating budget seeks to implement the enrollment plan developed over the past year that focuses on both improved retention through graduation and improved recruitment in this region and beyond. It also provides support for a graduate student success initiative to improve support and external funding for doctoral students while reducing time to degree. Investments include building a best-practices advancement operation commensurate with the size of the university and alumni base, and continuation of the construction of the Center for Advanced Manufacturing and Aerospace.

**Revenue**

Projected revenues for FY 2022 are \$534 million, which reflect an increase of \$3.0 million in general revenue as well as the restoration of the \$7.5 million general revenue reduction taken in FY 2021. Gross tuition and fee revenues are projected to decrease by \$1.9 million, resulting from a decline in fall and spring enrollment. The increase in Federal Sponsored Programs is related to an increase of \$800,000 in federal financial aid programs as well as \$50.0 million in the federal Higher Education Emergency Relief Funds (HEERF). Net Auxiliary enterprises are expected to increase by \$5.7 million as athletic and entertainment events commence on campus. Gifts and investment income are expected to increase by \$2.1 million.

**Expenses**

The FY 2022 operating budget freezes salaries at the FY 2021 level, with a small increase of \$300,000 for faculty promotion and tenure, \$500,000 for new faculty positions and \$300,000 for market and compression salary increases. U. T. El Paso has also set aside funds for a one percent increase in salaries in a merit pool or for a one-time payment if enrollment targets are met in Fall 2021, \$75,000 for increases in the cost of student health insurance, and \$650,000 for changes in the Texas Retirement System employer contribution rate. Auxiliary enterprises are projected to increase by \$9.0 million, largely attributed to the rollout of new events and activities on campus. Restricted funds reflect an increase of \$50.0 million related to a small increase in federal financial aid programs and federal HEERF. The FY 2022 budget sets asides funds for cost effective initiatives related to enrollment growth, a graduate student success initiative and investments in advancement.

**The University of Texas at El Paso**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 204,872,403	205,976,686	204,042,122	(1,934,564)	-0.9%
Less Discounts and Allowances	(59,412,997)	(58,703,356)	(58,152,005)	551,351	-0.9%
Federal Sponsored Programs	52,309,298	51,629,124	56,863,782	5,234,658	10.1%
State Sponsored Programs	30,942,280	27,952,229	30,366,785	2,414,556	8.6%
Local and Private Sponsored Programs	5,408,249	8,479,848	5,800,005	(2,679,843)	-31.6%
Net Sales and Services of Educational Activities	6,171,652	6,384,561	5,825,097	(559,464)	-8.8%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	12,906,079	37,744,461	43,517,327	5,772,866	15.3%
Other Operating Revenues	50,710	20,000	20,000	-	0.0%
<b>Total Operating Revenues</b>	<b>253,247,674</b>	<b>279,483,553</b>	<b>288,283,113</b>	<b>8,799,560</b>	<b>3.1%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	99,828,733	95,181,262	95,679,795	498,533	0.5%
Compensation - Non-Faculty	94,741,919	100,840,448	105,255,293	4,414,845	4.4%
Wages	17,379,949	15,207,691	15,713,226	505,535	3.3%
Benefits	61,418,340	59,244,069	61,241,415	1,997,346	3.4%
Personnel Costs	273,368,941	270,473,470	277,889,729	7,416,259	2.7%
Utilities	7,971,630	9,573,691	9,598,691	25,000	0.3%
Scholarships and Fellowships	158,091,686	114,991,916	150,825,905	35,833,989	31.2%
Less Discounts and Allowances	(59,412,997)	(58,703,356)	(58,152,005)	551,351	-0.9%
Operations, Maintenance and Travel	79,329,734	112,300,236	142,183,837	29,883,601	26.6%
Less Capitalized Portion and Cap Lease Activity	(5,682,697)	(4,374,582)	(5,248,107)	(873,525)	20.0%
Depreciation and Amortization	33,589,448	33,467,537	34,772,617	1,305,080	3.9%
<b>Total Operating Expenses</b>	<b>487,255,745</b>	<b>477,728,912</b>	<b>551,870,667</b>	<b>74,141,755</b>	<b>15.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(234,008,071)</b>	<b>(198,245,359)</b>	<b>(263,587,554)</b>	<b>(65,342,195)</b>	<b>33.0%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	95,303,765	94,350,892	106,064,144	11,713,252	12.4%
Federal Sponsored Programs (Nonoperating)	118,686,264	66,480,915	117,324,948	50,844,033	76.5%
State/Local Sponsored Programs (Nonoperating)	284,852	-	-	-	-
Gifts in Support of Operations	5,712,368	6,916,425	7,267,500	351,075	5.1%
Net Investment Income	17,022,361	13,400,500	15,237,000	1,836,500	13.7%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>237,009,610</b>	<b>181,148,732</b>	<b>245,893,592</b>	<b>64,744,860</b>	<b>35.7%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(5,788,399)	(5,800,530)	(6,310,280)	(509,750)	8.8%
<b>Total Transfers and Other</b>	<b>(5,788,399)</b>	<b>(5,800,530)</b>	<b>(6,310,280)</b>	<b>(509,750)</b>	<b>8.8%</b>
<b>Budget Margin (Deficit)</b>	<b>(2,786,860)</b>	<b>(22,897,157)</b>	<b>(24,004,242)</b>	<b>(1,107,085)</b>	<b>4.8%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	63,596,534	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	3,326,000	1,518,000	3,160,000	1,642,000	108.2%
Transfers for Debt Service - Principal	-	-	-	-	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	10,357,052	25,983,799	25,490,756	(493,043)	-1.9%
<b>SRECNP Change in Net Position</b>	<b>\$ 74,492,726</b>	<b>4,604,642</b>	<b>4,646,514</b>	<b>41,872</b>	<b>0.9%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 490,257,284</b>	<b>460,632,285</b>	<b>534,176,705</b>	<b>73,544,420</b>	<b>16.0%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(493,044,144)</b>	<b>(483,529,442)</b>	<b>(558,180,947)</b>	<b>(74,651,505)</b>	<b>15.4%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (2,786,860)</b>	<b>(22,897,157)</b>	<b>(24,004,242)</b>	<b>(1,107,085)</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		33,467,537	34,772,617		
Capital Outlay		(4,374,582)	(5,075,574)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(161,667)		
Budgeted Transfers		39,000	39,000		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>6,234,798</b>	<b>5,570,134</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas at El Paso**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 113,734,141	115,391,359	131,163,062	15,771,703	13.7%
Academic Support	27,083,878	28,749,500	31,964,093	3,214,593	11.2%
Research	96,630,921	99,390,098	102,649,366	3,259,268	3.3%
Public Service	7,485,494	5,645,113	7,150,055	1,504,942	26.7%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	32,981,540	36,527,685	47,691,825	11,164,140	30.6%
Student Services	20,914,016	20,371,207	22,630,479	2,259,272	11.1%
Operations and Maintenance of Plant	30,985,408	32,138,715	35,012,539	2,873,824	8.9%
Scholarships and Fellowships	72,722,707	56,293,384	80,033,262	23,739,878	42.2%
Auxiliary Enterprises	51,128,192	49,754,314	58,803,369	9,049,055	18.2%
Depreciation and Amortization	33,589,448	33,467,537	34,772,617	1,305,080	3.9%
Total Operating Expenses	\$ 487,255,745	477,728,912	551,870,667	74,141,755	15.5%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 207,999,183	211,875,876	3,876,693	1.9%
Designated	117,963,254	122,410,108	4,446,854	3.8%
Auxiliary	51,691,555	60,490,320	8,798,765	17.0%
Available University Fund	-	-	-	-
Restricted	133,485,851	190,021,272	56,535,421	42.4%
Unexpended Plant	2,000,000	2,000,000	-	0.0%
Subtotal - Expenditures (All Funds)	513,139,843	586,797,576	73,657,733	14.4%
Reconciling Adjustments:				
Tuition Discounting	(58,703,356)	(58,152,005)	551,351	-0.9%
Depreciation	33,467,537	34,772,617	1,305,080	3.9%
Capital Outlay	(4,374,582)	(5,075,574)	(700,992)	16.0%
Trsfers for Debt Service - Principal/Lease Principal	-	(161,667)	(161,667)	-
Total Expenses (Including Transfers for Interest)	\$ 483,529,442	558,180,947	74,651,505	15.4%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**

**PERMIAN BASIN**



**THE UNIVERSITY OF TEXAS PERMIAN BASIN**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas Permian Basin seeks to provide greater access to higher education for Texans, particularly West Texans; to award degrees of value; to conduct meaningful research; to improve the overall quality of life of the West Texas region; and, to do so while being a good steward of resources entrusted to it. To advance efforts to achieve these goals, U. T. Permian Basin has four strategic pillars in the new strategic plan: 1) Student success, 2) Serve the region, 3) Advance creativity and knowledge, and 4) Responsible stewardship.

U. T. Permian Basin remains committed to the success of its students. Initiatives planned or begun to help students achieve educational and career goals by addressing graduation, retention, and experiential learning efforts are continued in this budget. The University seeks to enhance the campus life and academic experiences for students, and to increase high impact practices that benefit students. Critical to this effort is the ability of the University to recruit and retain high quality faculty to maintain academic excellence. The University performed exceptionally well in adjusting its operations and instruction in response to the COVID-19 pandemic. This process, while challenging, also strengthened academic programs.

The 2021 operating budget included provisions for addressing potential decreases in enrollment of 5 percent and up to 15 percent cuts in general revenue. U.T. Permian Basin experienced increases in enrollment beginning summer 2020 and continuing through summer 2021. General revenue reductions in 2021 totaled 10 percent. The Permian Basin economy appears to be recovering but private contributions have not yet returned to pre COVID-19 pandemic levels. Meeting the needs of the region will require that U. T. Permian Basin significantly increase the number of graduates and the strategic plan calls for the number of degrees to double over the next 10-12 years. High demand degrees such as engineering, nursing, business, and education are facing the most severe shortages and the University continues to invest in these areas. U. T. Permian Basin opened a new engineering facility in the fall of 2019 and a kinesiology facility in the fall of 2020. The FY 2022 budget provides full funding for the operation of both of these facilities.

Another major goal of the strategic plan is to promote responsible stewardship of resources. U. T. Permian Basin has begun initial discussions with U. T. System budget staff to develop and implement a five-year plan designed to provide a tool for strategic planning and to help strengthen the financial position of the University. Several budget reduction actions were taken in FY 2021 which necessitated refunding in FY 2022, such as pay cuts for all staff and reductions in travel and maintenance and operations. CARES funding received in rounds one and two are being utilized strategically within established guidelines. This has allowed U. T. Permian Basin to leverage their overall funding. The University has successfully recruited talented individuals in several high impact areas who are significantly impacting the student services operations.

**Revenue**

Total budgeted projected revenue for FY 2022 is approximately \$102.9 million, an increase of \$22.7 million from the FY 2021 budget or 28.2 percent. This increase in the overall revenue budget over the prior year is the net effect of increases in tuition and fees applied to projected enrollment, an estimated increase in housing revenues, an increase in general revenue funding, and an increase in grant and gift funds. Enrollment is projected at 98 percent of the actual enrollment experienced in FY 2021. Budgeted enrollment for FY 2021 included a drop of 5 percent, actual enrollment increased about 7 percent. Housing occupancy is budgeted at normal levels up from the COVID occupancy cap of 65 percent. Housing and food service rates were increased by 2 percent for FY 2022. Grant funds include Higher Education Emergency Relief Funds (HEERF) allocations. Resident undergraduate and graduate tuition and fee rates were increased by 4.3 percent for FY 2022.

**Expenses**

Until FY 2020, most faculty and staff at U. T. Permian Basin had not received a pay raise in a number of years. This is believed to be a factor in retaining quality faculty and staff. For FY 2021, U. T. Permian Basin was not able to provide merit increases. Due to the projected impact of the COVID-19 pandemic, the University budgeted a temporary pay cut for all employees ranging from 0 percent to 2 percent. These cuts were restored effective May 1, 2021, once the University was certain of the impact of increased enrollment. For FY 2022, U. T. Permian Basin provided funds for merit increases totaling \$1 million. Budgeted expenses for FY 2022, including transfers for interest on bonds, total approximately \$118.0 million, an increase of \$21.1 million from FY 2021. U. T. Permian Basin has added critical faculty and staff to support instruction needs in growing programs, including adjunct budgets. Transfers for debt service interest decreased by \$87,280. U.T. Permian Basin has deferred principal payments for FY 2022 on all revenue financing system bonds except the student activity center bonds to future years in the amount of \$2.3 million.

**The University of Texas Permian Basin  
Operating Budget  
Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 42,560,751	38,249,294	43,820,631	5,571,337	14.6%
Less Discounts and Allowances	(5,786,386)	(9,500,000)	(9,500,000)	-	0.0%
Federal Sponsored Programs	3,050,381	2,034,207	9,407,725	7,373,518	362.5%
State Sponsored Programs	10,383,880	9,386,404	9,451,588	65,184	0.7%
Local and Private Sponsored Programs	3,538,242	285,009	4,597,269	4,312,260	1513.0%
Net Sales and Services of Educational Activities	1,561,343	-	-	-	-
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	5,786,386	7,452,500	9,884,665	2,432,165	32.6%
Other Operating Revenues	1,553,726	186,600	99,400	(87,200)	-46.7%
<b>Total Operating Revenues</b>	<b>62,648,323</b>	<b>48,094,014</b>	<b>67,761,278</b>	<b>19,667,264</b>	<b>40.9%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	23,368,446	18,185,557	21,135,523	2,949,966	16.2%
Compensation - Non-Faculty	21,966,340	20,924,720	22,477,483	1,552,763	7.4%
Wages	1,402,107	1,507,018	1,570,915	63,897	4.2%
Benefits	11,724,913	10,918,428	10,996,857	78,429	0.7%
Personnel Costs	58,461,806	51,535,723	56,180,778	4,645,055	9.0%
Utilities	1,741,876	1,321,780	1,390,000	68,220	5.2%
Scholarships and Fellowships	18,745,474	15,004,603	17,008,389	2,003,786	13.4%
Less Discounts and Allowances	(5,786,386)	(9,500,000)	(9,500,000)	-	0.0%
Operations, Maintenance and Travel	27,471,989	16,537,021	29,225,408	12,688,387	76.7%
Less Capitalized Portion and Cap Lease Activity	(4,906,596)	(875,000)	(622,145)	252,855	-28.9%
Depreciation and Amortization	20,817,751	19,300,000	20,800,000	1,500,000	7.8%
<b>Total Operating Expenses</b>	<b>116,545,914</b>	<b>93,324,127</b>	<b>114,482,430</b>	<b>21,158,303</b>	<b>22.7%</b>
<b>Operating Surplus/Deficit</b>	<b>(53,897,591)</b>	<b>(45,230,113)</b>	<b>(46,721,152)</b>	<b>(1,491,039)</b>	<b>3.3%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	21,585,985	22,071,477	25,788,310	3,716,833	16.8%
Federal Sponsored Programs (Nonoperating)	12,839,947	5,783,367	4,660,891	(1,122,476)	-19.4%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	4,920,452	1,050,000	1,698,500	648,500	61.8%
Net Investment Income	6,706,416	3,273,637	3,037,195	(236,442)	-7.2%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>46,052,800</b>	<b>32,178,481</b>	<b>35,184,896</b>	<b>3,006,415</b>	<b>9.3%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(3,710,764)	(3,654,733)	(3,567,453)	87,280	-2.4%
<b>Total Transfers and Other</b>	<b>(3,710,764)</b>	<b>(3,654,733)</b>	<b>(3,567,453)</b>	<b>87,280</b>	<b>-2.4%</b>
<b>Budget Margin (Deficit)</b>	<b>(11,555,555)</b>	<b>(16,706,365)</b>	<b>(15,103,709)</b>	<b>1,602,656</b>	<b>-9.6%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	1,000,000	-	(1,000,000)	-100.0%
Additions to Permanent Endowments	446,801	1,000,000	450,000	(550,000)	-55.0%
Transfers for Debt Service - Principal	(1,365,000)	-	(580,000)	(580,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	7,400,000	7,100,000	6,460,000	(640,000)	-9.0%
<b>SRECNP Change in Net Position</b>	<b>\$(5,073,754)</b>	<b>(7,606,365)</b>	<b>(8,773,709)</b>	<b>(1,167,344)</b>	<b>15.3%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 108,701,123</b>	<b>80,272,495</b>	<b>102,946,174</b>	<b>22,673,679</b>	<b>28.2%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(120,256,678)</b>	<b>(96,978,860)</b>	<b>(118,049,883)</b>	<b>(21,071,023)</b>	<b>21.7%</b>
<b>Budget Margin (Deficit)</b>	<b>\$(11,555,555)</b>	<b>(16,706,365)</b>	<b>(15,103,709)</b>	<b>1,602,656</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		19,300,000	20,800,000		
Capital Outlay		(875,000)	(600,000)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(601,762)		
Budgeted Transfers		-	137,393		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>1,718,635</b>	<b>4,631,922</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Permian Basin  
Operating Budget - Operating Expenses by Function  
Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 31,350,851	31,428,056	39,684,383	8,256,327	26.3%
Academic Support	1,515,097	6,726,207	7,350,659	624,452	9.3%
Research	3,496,377	2,253,434	3,513,619	1,260,185	55.9%
Public Service	6,176,933	1,966,886	2,104,523	137,637	7.0%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	2,797,102	9,475,650	17,229,361	7,753,711	81.8%
Student Services	9,906,403	2,937,223	3,304,693	367,470	12.5%
Operations and Maintenance of Plant	13,115,528	6,382,566	7,084,267	701,701	11.0%
Scholarships and Fellowships	18,745,474	6,173,807	5,710,441	(463,366)	-7.5%
Auxiliary Enterprises	8,624,398	6,680,298	7,700,484	1,020,186	15.3%
Depreciation and Amortization	20,817,751	19,300,000	20,800,000	1,500,000	7.8%
<b>Total Operating Expenses</b>	<b>\$ 116,545,914</b>	<b>93,324,127</b>	<b>114,482,430</b>	<b>21,158,303</b>	<b>22.7%</b>

**Operating Budget - Expenditures by Fund  
Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 32,141,221	33,891,683	1,750,462	5.4%
Designated	33,533,596	39,405,580	5,871,984	17.5%
Auxiliary	11,060,031	12,689,538	1,629,507	14.7%
Available University Fund	-	-	-	-
Restricted	11,269,012	21,914,844	10,645,832	94.5%
Unexpended Plant	50,000	50,000	-	0.0%
<b>Subtotal - Expenditures (All Funds)</b>	<b>88,053,860</b>	<b>107,951,645</b>	<b>19,897,785</b>	<b>22.6%</b>
<b>Reconciling Adjustments:</b>				
Tuition Discounting	(9,500,000)	(9,500,000)	-	0.0%
Depreciation	19,300,000	20,800,000	1,500,000	7.8%
Capital Outlay	(875,000)	(600,000)	275,000	-31.4%
Trsfers for Debt Service - Principal/Lease Principal	-	(601,762)	(601,762)	-
<b>Total Expenses (Including Transfers for Interest)</b>	<b>\$ 96,978,860</b>	<b>118,049,883</b>	<b>21,071,023</b>	<b>21.7%</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**RIO GRANDE VALLEY**



**THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

With the FY 2022 operating budget, The University of Texas Rio Grande Valley is seizing the opportunity presented by enrollment market share growth and a successful legislative session by continuing to invest in students, faculty, and staff. FYs 2020 and 2021 have been among the most challenging, yet most successful, in the Institution's history. Record-breaking enrollment and retention coupled with a commitment to affordability worked to sustain its reputation as one of the top value schools nationwide.

First, the Institution will leverage revenue growth, including Higher Education Emergency Relief Fund (HEERF) resources, to strengthen support of students with additional financial aid as well as improvements in teaching infrastructure for both online and in-class instruction. The Institution is committed to helping students achieve their educational aspirations and easing financial burdens during these difficult times. Second, to expand educational opportunities and impactful research, the Institution is nurturing the development of several academic programs including two masters and four doctoral programs being newly added. As discussed below, the additions are mostly in health-related fields and are critical for addressing inequities in healthcare access and outcomes in this underserved region.

Finally, the Institution will be utilizing the additional resources from tuition and formula funding to address merit and market pay issues for both faculty and staff with a target of achieving an average of 25<sup>th</sup> percentile of market rates. While this will be phased in over two years for staff employees, the minimum staff salary will be increased immediately to \$13 per hour, benefiting and helping to retain those employees most impacted by inflation in daily living expenses.

**Revenue**

State appropriations of \$156.3 million represents an increase of \$24.9 million from FY 2021, including \$13.4 million in General Revenue (GR) for formula funding due to enrollment growth, recovery of the \$7.9 million GR reduction (5 percent) budgeted for FY 2021, and a \$3.5 million increase in estimated fringe benefits to be paid by the State. Gross tuition and fee revenues, before discounting, are estimated to increase by \$27.9 million primarily due to enrollment growth and the transition of students in expiring guaranteed tuition plans to higher rates. In addition, a 7.0 percent increase in the total academic cost, which is guaranteed for four years, will go into effect for newly enrolled students.

The ongoing growth of the medical school practice plans is indicated by the \$5.9 million increase in net professional fees due to six additional clinics, including the Institute of Neuroscience, and increased patient volume. The \$5.5 million increase in other operating revenues is primarily due to growth in clinical and lab revenues. Most of the increase in State sponsored programs is due to the \$7.1 million increase in the TEXAS Grants allocation. The \$43.3 million increase in nonoperating federal sponsored programs is due to a \$41.8 million increase in Higher Education Emergency Relief Funds (HEERF) plus a \$1.5 million increase in Pell grants. Finally, a \$2.5 million partial recovery in auxiliary enterprises revenues is anticipated as students return to campus this Fall.

**Expenses**

Total expenses are projected at \$691.6 million inclusive of noncash adjustments such as depreciation. A total of \$7.1 million is budgeted for new program development, an increase of \$2.8 million. Special emphasis is on health-related programs, including \$0.5 million for the Doctor of Nursing Practice, \$0.6 million for the Doctor of Occupational Therapy, \$1.6 million for the School of Podiatry startup, and \$0.5 million to expand the Biomedical Sciences and Nursing baccalaureate programs. In addition, research expenditures, before reductions of \$3.0 million for capital outlay and \$2.7 million for the capitalized lease obligations, are increasing by \$2.5 million.

Scholarships, before discounts, are projected at \$238.1 million, including \$94.5 million in Pell Grants, \$46.7 million in TEXAS Grants, and \$38.4 million in direct student grants from HEERF funding. An additional \$1.5 million is provided for merit-based scholarships, and an additional \$2.9 million in financial aid is funded by tuition set-asides. Also included is \$9.4 million for exemptions, of which \$6.5 million is estimated for Hazlewood recipients. In addition to student grants, HEERF funding will be used for \$2.3 million in classroom technology upgrades as well as reimbursement of the costs of the coronavirus response and additional relief for students.

Critical labor investments include \$0.9 million for faculty promotions, \$4.0 million for faculty and staff merit, \$2.4 million in faculty compression adjustments, \$3.5 million for staff market adjustments, and \$2.6 million to increase the minimum staff salary. Also, \$2.3 million in additional travel is planned as restrictions due to the COVID-19 pandemic are eased.

**The University of Texas Rio Grande Valley**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 284,742,198	254,209,757	282,180,469	27,970,712	11.0%
Less Discounts and Allowances	(165,386,585)	(122,566,700)	(152,297,100)	(29,730,400)	24.3%
Federal Sponsored Programs	42,149,074	45,234,052	46,775,011	1,540,959	3.4%
State Sponsored Programs	55,222,458	53,343,354	62,316,098	8,972,744	16.8%
Local and Private Sponsored Programs	47,198,116	46,627,545	46,080,791	(546,754)	-1.2%
Net Sales and Services of Educational Activities	6,155,502	5,647,746	4,994,196	(653,550)	-11.6%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	18,342,336	15,680,640	21,591,868	5,911,228	37.7%
Net Auxiliary Enterprises	4,024,769	7,172,302	9,661,062	2,488,760	34.7%
Other Operating Revenues	19,381,775	11,648,558	17,186,632	5,538,074	47.5%
<b>Total Operating Revenues</b>	<b>311,829,643</b>	<b>316,997,254</b>	<b>338,489,027</b>	<b>21,491,773</b>	<b>6.8%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	130,610,768	126,968,906	144,789,840	17,820,934	14.0%
Compensation - Non-Faculty	129,094,888	140,769,465	163,536,583	22,767,118	16.2%
Wages	36,707,272	24,257,096	24,148,365	(108,731)	-0.4%
Benefits	87,654,601	89,800,552	95,707,710	5,907,158	6.6%
Personnel Costs	384,067,529	381,796,019	428,182,498	46,386,479	12.1%
Utilities	9,707,434	11,492,879	10,906,259	(586,620)	-5.1%
Scholarships and Fellowships	241,580,854	207,904,479	238,120,713	30,216,234	14.5%
Less Discounts and Allowances	(165,386,585)	(122,566,700)	(152,297,100)	(29,730,400)	24.3%
Operations, Maintenance and Travel	107,439,746	101,945,924	119,281,776	17,335,852	17.0%
Less Capitalized Portion and Cap Lease Activity	(13,703,003)	(8,710,000)	(14,236,192)	(5,526,192)	63.4%
Depreciation and Amortization	54,070,234	55,495,525	59,319,616	3,824,091	6.9%
<b>Total Operating Expenses</b>	<b>617,776,209</b>	<b>627,358,126</b>	<b>689,277,570</b>	<b>61,919,444</b>	<b>9.9%</b>
<b>Operating Surplus/Deficit</b>	<b>(305,946,566)</b>	<b>(310,360,872)</b>	<b>(350,788,543)</b>	<b>(40,427,671)</b>	<b>13.0%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	132,600,945	131,372,433	156,275,106	24,902,673	19.0%
Federal Sponsored Programs (Nonoperating)	174,360,131	114,945,132	158,199,792	43,254,660	37.6%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	44,514,574	4,653,496	4,606,850	(46,646)	-1.0%
Net Investment Income	5,760,585	8,835,694	8,281,746	(553,948)	-6.3%
Other Non-Operating Revenue	5,209,027	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>362,445,262</b>	<b>259,806,755</b>	<b>327,363,494</b>	<b>67,556,739</b>	<b>26.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(2,198,977)	(2,205,308)	(2,320,869)	(115,561)	5.2%
<b>Total Transfers and Other</b>	<b>(2,198,977)</b>	<b>(2,205,308)</b>	<b>(2,320,869)</b>	<b>(115,561)</b>	<b>5.2%</b>
<b>Budget Margin (Deficit)</b>	<b>54,299,719</b>	<b>(52,759,425)</b>	<b>(25,745,918)</b>	<b>27,013,507</b>	<b>-51.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	12,247,773	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	1,290,000	841,400	(448,600)	-34.8%
Additions to Permanent Endowments	2,119,268	1,640,000	1,922,800	282,800	17.2%
Transfers for Debt Service - Principal	-	-	(4,849,000)	(4,849,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	34,388,761	59,131,110	45,383,928	(13,747,182)	-23.2%
<b>SRECNP Change in Net Position</b>	<b>\$ 103,055,521</b>	<b>9,301,685</b>	<b>17,553,210</b>	<b>8,251,525</b>	<b>88.7%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 674,274,905</b>	<b>576,804,009</b>	<b>665,852,521</b>	<b>89,048,512</b>	<b>15.4%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(619,975,186)</b>	<b>(629,563,434)</b>	<b>(691,598,439)</b>	<b>(62,035,005)</b>	<b>9.9%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 54,299,719</b>	<b>(52,759,425)</b>	<b>(25,745,918)</b>	<b>27,013,507</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		55,495,525	59,319,616		
Capital Outlay		(8,710,000)	(11,430,000)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(7,518,160)		
Budgeted Transfers		96,838	89,837		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>(5,877,062)</b>	<b>14,715,375</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas Rio Grande Valley**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 175,781,397	167,102,944	191,860,158	24,757,214	14.8%
Academic Support	66,572,959	61,537,199	74,064,561	12,527,362	20.4%
Research	44,570,607	52,419,846	50,954,331	(1,465,515)	-2.8%
Public Service	12,527,916	17,695,810	18,004,445	308,635	1.7%
Hospitals and Clinics	51,589,009	50,935,362	58,609,828	7,674,466	15.1%
Institutional Support	39,760,367	40,292,748	47,844,817	7,552,069	18.7%
Student Services	30,686,472	31,941,526	35,421,781	3,480,255	10.9%
Operations and Maintenance of Plant	40,523,054	35,729,718	37,318,451	1,588,733	4.4%
Scholarships and Fellowships	75,151,613	83,998,828	83,391,597	(607,231)	-0.7%
Auxiliary Enterprises	26,542,581	30,208,620	32,487,985	2,279,365	7.5%
Depreciation and Amortization	54,070,234	55,495,525	59,319,616	3,824,091	6.9%
Total Operating Expenses	\$ 617,776,209	627,358,126	689,277,570	61,919,444	9.9%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 299,867,520	267,056,474	(32,811,046)	-10.9%
Designated	195,128,307	276,998,112	81,869,805	42.0%
Auxiliary	31,919,696	36,429,880	4,510,184	14.1%
Available University Fund	-	-	-	-
Restricted	178,179,086	222,671,183	44,492,097	25.0%
Unexpended Plant	250,000	368,434	118,434	47.4%
Subtotal - Expenditures (All Funds)	705,344,609	803,524,083	98,179,474	13.9%
Reconciling Adjustments:				
Tuition Discounting	(122,566,700)	(152,297,100)	(29,730,400)	24.3%
Depreciation	55,495,525	59,319,616	3,824,091	6.9%
Capital Outlay	(8,710,000)	(11,430,000)	(2,720,000)	31.2%
Trsfers for Debt Service - Principal/Lease Principal	-	(7,518,160)	(7,518,160)	-
Total Expenses (Including Transfers for Interest)	\$ 629,563,434	691,598,439	62,035,005	9.9%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**AT SAN ANTONIO**



**THE UNIVERSITY OF TEXAS AT SAN ANTONIO**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas at San Antonio's budget continues to link to the University's strategic plan, with allocations to revenue units through the Incentivized Resource Management (IRM) budget model. The strategic plan currently has three destinations: serving as model for student success, becoming a great public research university, and serving as an exemplar for strategic growth and innovative excellence. FY 2021 was the second year of the IRM budget model, it continues to provide an on-going activity-based framework to manage financial resources, particularly as colleges and divisions adjust and align expenses with anticipated revenues. While current events may influence the pace at which the University reaches the shared goals under this model, the creativity and entrepreneurial spirit encouraged by the model is already evident. The core principles allow for adapting budget planning as needed to focus on institutional priorities and core services. The University continues to encourage colleges and divisions to explore different paths to grow revenue or implement cost-effective efficiencies. Moreover, the University will refresh its strategic plan, allowing alignment of goals with our budget model. The refresh will help to increase and diversify revenue in the following areas: a capital campaign to further bolster this year's successes; real estate investments related to the development of the Park West campus; and research growth to further advance towards National Research University Funds status and Carnegie R1 classification. Additional investments include strategic faculty hires, the School of Data Science/National Security Collaboration Center, the Cybersecurity Manufacturing Innovation Institute, and a large, multi-year high-performance computing research infrastructure purchase with in-kind gift. The University plans to sustain its successes with continued strategic enrollment growth, which resulted in 14 percent formula growth over the prior biennium. The University successfully addressed operational efficiencies, including the following: a decrease to overall administrative cost measures, from 8.7 percent in FY 2019 to 7.9 percent in FY 2020; the establishment of Business Service Centers for IRM shared services across targeted administrative and academic areas; and continued efforts to improve and expand telecommuting options for operational areas, freeing up space for mission-critical use. The University conducted its first committee-driven operational review process as part of the IRM model. There are four areas we are closely watching and planning for as the University moves forward: auxiliary areas where budget has been restored closer to pre-COVID-19 pandemic levels; the "enrollment cliff" predicting demographic declines in students entering college over the next ten years; planning for student financial support in FY 2023 and forward without federal stimulus; and planning for Hazelwood exemptions based on continued growth trajectory.

**Revenue**

Tuition and mandatory fee revenue increased, netting the University \$33.7 million. The University assumes a very modest growth of 0.8 percent growth in enrollment headcount over the actual level for FY 2021. Sponsored program funding saw an increase of \$7.6M in addition to federal stimulus funding of \$77 million from the Higher Education Emergency Relief Fund (HEERF). The FY 2022 budget includes HEERF II and III funding, which is budgeted to be primarily used for \$33.5 million in financial support to students (HEERF III), \$11.4 million in capital technology improvements (HEERF II and III), and \$25.4 million returned to the University to offset lost revenues and activities postponed due to COVID-19 (HEERF III). The University saw new general revenue of \$12.9 million from formula growth mentioned above. The CORE Formula funding produced \$1.4 million more due to increases realized in research efforts. The University has a new non-formula funding for the Cybersecure Advance Manufacturing program, will see the restoration of the five percent reduction for the Institute of Texan Cultures, and a continuation of the Bexar County fostering educational success care pilot program.

**Expenses**

The University is planning a long overdue compensation strategy, with \$10.2 million for compensation and benefits in the following areas: raising the minimum wage to \$15 per hour; addressing compression adjustments as a result of minimum wage increases; aligning Fixed Term Track faculty salaries with new minimum thresholds; addressing market adjustments for faculty and staff; and allocating the balance to a merit increase for faculty and staff that would be effective January 1, 2022. Financial support for students includes one-time funding from HEERF (detailed above) and \$4.9 million in permanent set-asides. The University's student fee funded areas benefited from enrollment growth, resulting in budget increases to these areas that allow them to immediately address their ability to support service levels for current students. Overall growth in student fee areas is \$19.5 million. The University's annual operating budget includes an increase in the areas of facilities, employee benefits, support for the IRM budget model and the strategic expenditures in various other administrative areas. The third year of the University's incentivized budget model provided approximately \$6 million of new funding directly to the colleges. The strategic planning for these investments by each college is currently underway. Some college investments for FY 2022 will be permanent, while others may be temporary in nature as planning continues for how the model will be utilized within individual colleges and the University's academic and administrative units.

**The University of Texas at San Antonio**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 358,640,025	304,506,400	355,780,200	51,273,800	16.8%
Less Discounts and Allowances	(110,563,043)	(93,788,000)	(111,359,200)	(17,571,200)	18.7%
Federal Sponsored Programs	48,419,043	62,374,144	75,899,100	13,524,956	21.7%
State Sponsored Programs	28,005,982	29,766,834	28,014,433	(1,752,401)	-5.9%
Local and Private Sponsored Programs	7,049,593	11,733,229	7,687,500	(4,045,729)	-34.5%
Net Sales and Services of Educational Activities	13,266,946	9,558,556	10,272,699	714,143	7.5%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	22,693,360	43,796,200	42,824,500	(971,700)	-2.2%
Other Operating Revenues	1,485,780	1,948,500	1,914,500	(34,000)	-1.7%
<b>Total Operating Revenues</b>	<b>368,997,686</b>	<b>369,895,863</b>	<b>411,033,732</b>	<b>41,137,869</b>	<b>11.1%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	117,290,747	109,216,056	127,548,106	18,332,050	16.8%
Compensation - Non-Faculty	146,103,468	140,721,883	154,725,535	14,003,652	10.0%
Wages	9,148,881	11,714,514	13,458,830	1,744,316	14.9%
Benefits	77,111,218	82,464,009	92,031,002	9,566,993	11.6%
Personnel Costs	349,654,314	344,116,462	387,763,473	43,647,011	12.7%
Utilities	13,300,000	15,354,333	14,701,549	(652,784)	-4.3%
Scholarships and Fellowships	216,920,199	144,498,905	197,077,410	52,578,505	36.4%
Less Discounts and Allowances	(110,563,043)	(93,788,000)	(111,359,200)	(17,571,200)	18.7%
Operations, Maintenance and Travel	176,280,131	162,689,274	202,545,761	39,856,487	24.5%
Less Capitalized Portion and Cap Lease Activity	(89,247,894)	(9,916,400)	(29,017,437)	(19,101,037)	192.6%
Depreciation and Amortization	57,660,349	51,530,114	60,317,211	8,787,097	17.1%
<b>Total Operating Expenses</b>	<b>614,004,056</b>	<b>614,484,688</b>	<b>722,028,767</b>	<b>107,544,079</b>	<b>17.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(245,006,370)</b>	<b>(244,588,825)</b>	<b>(310,995,035)</b>	<b>(66,406,210)</b>	<b>27.2%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	121,155,741	119,333,332	145,056,350	25,723,018	21.6%
Federal Sponsored Programs (Nonoperating)	127,841,222	66,000,000	143,109,000	77,109,000	116.8%
State/Local Sponsored Programs (Nonoperating)	780,187	780,187	825,000	44,813	5.7%
Gifts in Support of Operations	59,048,220	7,750,000	7,247,850	(502,150)	-6.5%
Net Investment Income	20,989,895	17,702,700	17,148,500	(554,200)	-3.1%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>329,815,265</b>	<b>211,566,219</b>	<b>313,386,700</b>	<b>101,820,481</b>	<b>48.1%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(9,234,416)	(9,294,356)	(9,419,483)	(125,127)	1.3%
<b>Total Transfers and Other</b>	<b>(9,234,416)</b>	<b>(9,294,356)</b>	<b>(9,419,483)</b>	<b>(125,127)</b>	<b>1.3%</b>
<b>Budget Margin (Deficit)</b>	<b>75,574,479</b>	<b>(42,316,962)</b>	<b>(7,027,818)</b>	<b>35,289,144</b>	<b>-83.4%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	57,020,413	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	500,000	500,000	8,820,500	8,320,500	1664.1%
Additions to Permanent Endowments	2,758,429	3,200,000	2,602,600	(597,400)	-18.7%
Transfers for Debt Service - Principal	(1,606,000)	-	(1,701,000)	(1,701,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	132,602,857	19,516,267	28,670,900	9,154,633	46.9%
<b>SRECNP Change in Net Position</b>	<b>\$ 266,850,178</b>	<b>(19,100,695)</b>	<b>31,365,182</b>	<b>50,465,877</b>	<b>-264.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 698,812,951</b>	<b>581,462,082</b>	<b>724,420,432</b>	<b>142,958,350</b>	<b>24.6%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(623,238,472)</b>	<b>(623,779,044)</b>	<b>(731,448,250)</b>	<b>(107,669,206)</b>	<b>17.3%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 75,574,479</b>	<b>(42,316,962)</b>	<b>(7,027,818)</b>	<b>35,289,144</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		51,530,114	60,317,211		
Capital Outlay		(9,916,400)	(28,401,937)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(2,265,900)		
Budgeted Transfers		703,248	(825,000)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		-	<b>21,796,556</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

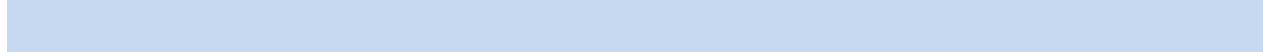
**The University of Texas at San Antonio**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 134,591,587	140,176,547	154,678,228	14,501,681	10.3%
Academic Support	67,020,053	79,236,538	83,182,479	3,945,941	5.0%
Research	97,277,869	101,541,919	116,415,890	14,873,971	14.6%
Public Service	13,105,170	14,083,835	18,113,368	4,029,533	28.6%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	44,672,500	49,601,095	59,568,447	9,967,352	20.1%
Student Services	28,964,029	30,652,629	31,349,277	696,648	2.3%
Operations and Maintenance of Plant	32,893,848	44,705,166	45,772,602	1,067,436	2.4%
Scholarships and Fellowships	91,081,214	49,552,767	88,388,551	38,835,784	78.4%
Auxiliary Enterprises	46,737,437	53,404,078	64,242,714	10,838,636	20.3%
Depreciation and Amortization	57,660,349	51,530,114	60,317,211	8,787,097	17.1%
<b>Total Operating Expenses</b>	<b>\$ 614,004,056</b>	<b>614,484,688</b>	<b>722,028,767</b>	<b>107,544,079</b>	<b>17.5%</b>

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 260,433,932	281,130,712	20,696,780	7.9%
Designated	185,150,022	236,294,094	51,144,072	27.6%
Auxiliary	70,226,800	79,977,620	9,750,820	13.9%
Available University Fund	-	-	-	-
Restricted	155,565,576	211,178,650	55,613,074	35.7%
Unexpended Plant	4,577,000	4,577,000	-	0.0%
<b>Subtotal - Expenditures (All Funds)</b>	<b>675,953,330</b>	<b>813,158,076</b>	<b>137,204,746</b>	<b>20.3%</b>
<b>Reconciling Adjustments:</b>				
Tuition Discounting	(93,788,000)	(111,359,200)	(17,571,200)	18.7%
Depreciation	51,530,114	60,317,211	8,787,097	17.1%
Capital Outlay	(9,916,400)	(28,401,937)	(18,485,537)	186.4%
Trsfers for Debt Service - Principal/Lease Principal	-	(2,265,900)	(2,265,900)	-
<b>Total Expenses (Including Transfers for Interest)</b>	<b>\$ 623,779,044</b>	<b>731,448,250</b>	<b>107,669,206</b>	<b>17.3%</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**AT TYLER**  
**(ACADEMIC AND HEALTH SCIENCE CENTER)**



**THE UNIVERSITY OF TEXAS AT TYLER**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The FY 2022 budget reflects The University of Texas at Tyler's vision to be the primary educational and economic driver of East Texas as well as the institution's recent administrative alignment with The University of Texas Health Science Center at Tyler. U. T. Tyler has a culture of excellence and innovation that also provides a nurturing environment to prepare students to be future problem solvers and leaders. U. T. Tyler remains one of the best values in higher education in Texas. With tuition and fees below the mean among the U. T. System, the State, and regional competitors, U. T. Tyler takes great pride in the tradition of offering quality academic programs, expert faculty, active student life programs, and well-rounded service opportunities. Despite the challenges of the COVID-19 pandemic and the resultant economic uncertainty, including a 5 percent General Revenue reduction in nonformula funding, the FY 2022 budget continues to support an investment in the University's highest priority strategic initiatives, including investing in a larger University infrastructure following the alignment with U. T. Health Science Center – Tyler.

The Board of Regents' direction to integrate the two campuses under one administrative structure, which was approved by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) on December 9, 2020, became effective on January 4, 2021. The FY 2022 budget funds not only the strategic initiatives of the academic campus, but also the actions necessary to support the integration and a successful SACSCOC 10-year reaffirmation process.

**Revenue**

U. T. Tyler's FY 2022 revenue budget totals \$161.4 million and reflects an \$11.8 million increase, or 7.9 percent, over the prior year's total revenue budget. The most significant driver of this increase is the \$8.9 million Higher Education Emergency Relief Funds expected to be received for student grant aid. Total operating revenue increased \$2.2 million over FY 2021. A \$1.7 million (2.8 percent) increase in net tuition (\$1.3 million) and selected mandatory fees (\$0.4 million) is the result of a modest increase in rates. Overall, FY 2022 enrollment is projected to hold steady at FY 2021 rates. However, the Fisch College of Pharmacy self-funded program is projecting a slight decrease in enrollment, aligning with national trends.

The proposed operating budget reflects an overall \$4 million increase in State-appropriated General Revenue. Approximately \$2.4 million represents the restoration of a portion of the prior year's 5 percent General Revenue formula funding reduction and \$1.6 million in new General Revenue. Of this amount, \$200,000 is one-time funding in support of a traffic safety project at the Palestine campus. A slight (\$200,000 or 2.2 percent) increase is expected in auxiliary enterprise revenue as venues such as the Cowan Center and Discovery Science Place return to normal, pre-COVID 19, activities. Other operating revenues are up significantly, \$724,000 or 1,967 percent, due to the recognition of revenues under multiple interagency cooperation agreements with U. T. Health Science Center – Tyler for the provision of academic and operational support services.

A significant decrease in gifts in support of operations (\$3.9 million or 79.3 percent) and the related expenses is expected. This reduction reflects a realistic estimate of FY 2022's philanthropic support as U. T. Tyler recruits a new Vice President for Advancement and the newly-aligned University renews its focus on actively expanding its donor base during the upcoming year.

**Expenses**

Total expenses, including transfers for interest, are budgeted at \$178.3 million, an overall increase of \$11.3 million or 6.8 percent over the prior year. The budget includes new investments centered in the University's highest strategic priorities: student engagement and student success as well as research. A total of \$2 million has been invested in new faculty lines in support of new and growing academic programs, both from the restoration of previously frozen faculty lines (\$900,000) and new faculty lines (\$400,000), as well restoration (\$550,000) and new (\$150,000) staff lines. A 2.0 percent base pay increase for employees in positions below assistant vice president is proposed (\$1.3 million). An additional \$100,000 will be allocated to faculty tenure and promotion changes. Administrative support salaries have increased approximately \$1.0 million following the realignment with U. T. Health Science Center – Tyler and the related organizational roles and responsibility changes. A related 10 percent increase in benefits (\$2.2 million) is expected. Net scholarship expense is up \$7 million, the result of an additional \$8.9 million in HEERF Funds III student grant aid and a \$1 million reduction in the Presidential Fellows scholarship program as the cohort is "right-sized."

An additional investment of \$1.0 million has been made to expand the University's research portfolio through an intentional, permanent faculty start-up program. A \$1.5 million investment has been made in support of multiple interagency cooperation agreements with U. T. Health Science Center – Tyler for the provision of executive administrative services.

**The University of Texas at Tyler (Academic)**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 87,500,865	83,767,974	94,085,963	10,317,989	12.3%
Less Discounts and Allowances	(30,625,303)	(23,898,642)	(32,930,000)	(9,031,358)	37.8%
Federal Sponsored Programs	4,812,494	2,793,402	6,733,968	3,940,566	141.1%
State Sponsored Programs	10,150,190	11,985,213	8,044,647	(3,940,566)	-32.9%
Local and Private Sponsored Programs	1,221,445	824,248	824,248	-	0.0%
Net Sales and Services of Educational Activities	11,294,970	10,355,024	10,356,675	1,651	0.0%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	8,601,743	9,430,019	9,634,541	204,522	2.2%
Other Operating Revenues	238,708	36,794	760,699	723,905	1967.5%
<b>Total Operating Revenues</b>	<b>93,195,112</b>	<b>95,294,032</b>	<b>97,510,741</b>	<b>2,216,709</b>	<b>2.3%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	37,864,688	37,822,241	39,970,223	2,147,982	5.7%
Compensation - Non-Faculty	31,459,564	31,352,010	33,027,988	1,675,978	5.3%
Wages	4,464,901	2,406,332	4,377,248	1,970,916	81.9%
Benefits	22,237,188	21,571,611	23,754,923	2,183,312	10.1%
Personnel Costs	96,026,341	93,152,194	101,130,382	7,978,188	8.6%
Utilities	2,896,999	2,896,999	2,887,121	(9,878)	-0.3%
Scholarships and Fellowships	42,644,801	34,905,527	50,934,858	16,029,331	45.9%
Less Discounts and Allowances	(30,625,303)	(23,898,642)	(32,930,000)	(9,031,358)	37.8%
Operations, Maintenance and Travel	33,269,504	40,154,212	36,810,486	(3,343,726)	-8.3%
Less Capitalized Portion and Cap Lease Activity	(550,000)	(405,000)	(961,411)	(556,411)	137.4%
Depreciation and Amortization	16,764,872	17,099,123	17,397,345	298,222	1.7%
<b>Total Operating Expenses</b>	<b>160,427,214</b>	<b>163,904,413</b>	<b>175,268,781</b>	<b>11,364,368</b>	<b>6.9%</b>
<b>Operating Surplus/Deficit</b>	<b>(67,232,102)</b>	<b>(68,610,381)</b>	<b>(77,758,040)</b>	<b>(9,147,659)</b>	<b>13.3%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	30,603,233	30,603,233	34,638,448	4,035,215	13.2%
Federal Sponsored Programs (Nonoperating)	15,794,600	12,120,752	21,049,694	8,928,942	73.7%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	1,000,000	5,000,000	1,037,015	(3,962,985)	-79.3%
Net Investment Income	6,521,823	6,521,823	7,148,273	626,450	9.6%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>53,919,656</b>	<b>54,245,808</b>	<b>63,873,430</b>	<b>9,627,622</b>	<b>17.7%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(3,100,827)	(3,107,538)	(3,043,460)	64,078	-2.1%
<b>Total Transfers and Other</b>	<b>(3,100,827)</b>	<b>(3,107,538)</b>	<b>(3,043,460)</b>	<b>64,078</b>	<b>-2.1%</b>
<b>Budget Margin (Deficit)</b>	<b>(16,413,273)</b>	<b>(17,472,111)</b>	<b>(16,928,070)</b>	<b>544,041</b>	<b>-3.1%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	500,000	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	150,000	3,500,000	1,500,000	(2,000,000)	-57.1%
Additions to Permanent Endowments	750,000	1,500,000	1,500,000	-	0.0%
Transfers for Debt Service - Principal	-	-	-	-	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	1,500,000	2,399,000	2,800,000	401,000	16.7%
<b>SRECNP Change in Net Position</b>	<b>\$ (13,513,273)</b>	<b>(10,073,111)</b>	<b>(11,128,070)</b>	<b>(1,054,959)</b>	<b>10.5%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 147,114,768</b>	<b>149,539,840</b>	<b>161,384,171</b>	<b>11,844,331</b>	<b>7.9%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(163,528,041)</b>	<b>(167,011,951)</b>	<b>(178,312,241)</b>	<b>(11,300,290)</b>	<b>6.8%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (16,413,273)</b>	<b>(17,472,111)</b>	<b>(16,928,070)</b>	<b>544,041</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		17,099,123	17,397,345		
Capital Outlay		(405,000)	(550,000)		
Trsfers for Debt Service-Principal/Lease Principal		-	(397,345)		
Budgeted Transfers		(162,736)	28,139		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>(940,724)</b>	<b>(449,931)</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas at Tyler (Academic)**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 58,840,101	63,264,925	67,136,756	3,871,831	6.1%
Academic Support	16,716,570	19,540,630	15,823,466	(3,717,164)	-19.0%
Research	1,985,798	1,360,783	2,560,356	1,199,573	88.2%
Public Service	557,222	766,022	1,192,935	426,913	55.7%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	12,858,159	13,281,076	14,748,470	1,467,394	11.0%
Student Services	14,663,907	12,568,048	12,801,755	233,707	1.9%
Operations and Maintenance of Plant	13,877,398	9,967,734	10,095,424	127,690	1.3%
Scholarships and Fellowships	12,336,669	11,477,593	18,498,191	7,020,598	61.2%
Auxiliary Enterprises	11,826,518	14,578,479	15,014,083	435,604	3.0%
Depreciation and Amortization	16,764,872	17,099,123	17,397,345	298,222	1.7%
Total Operating Expenses	\$ 160,427,214	163,904,413	175,268,781	11,364,368	6.9%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 46,280,732	49,996,942	3,716,210	8.0%
Designated	86,655,412	97,186,471	10,531,059	12.2%
Auxiliary	17,021,362	18,104,683	1,083,321	6.4%
Available University Fund	-	-	-	-
Restricted	24,258,964	29,504,145	5,245,181	21.6%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	174,216,470	194,792,241	20,575,771	11.8%
Reconciling Adjustments:				
Tuition Discounting	(23,898,642)	(32,930,000)	(9,031,358)	37.8%
Depreciation	17,099,123	17,397,345	298,222	1.7%
Capital Outlay	(405,000)	(550,000)	(145,000)	35.8%
Trsfers for Debt Service - Principal/Lease Principal	-	(397,345)	(397,345)	-
Total Expenses (Including Transfers for Interest)	\$ 167,011,951	178,312,241	11,300,290	6.8%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS AT TYLER (HEALTH SCIENCE CENTER)  
OPERATING BUDGET HIGHLIGHTS  
FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas Health Science Center at Tyler continues to make progress under an ambitious strategic plan that will result in greater capacity to meet the health and educational needs of the East Texas region. Now administratively aligned with U. T. Tyler, U. T. Health Science Center - Tyler is more equipped than ever to deliver life-changing education, healthcare, and research to positively impact the East Texas region. The FY 2022 budget funds critical strategic goals toward this mission.

Faculty and staff from U. T. Health Science Center - Tyler and U. T. Tyler successfully implemented the Board of Regents' direction to integrate the two campuses under one administrative structure, which was approved by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) on December 9, 2020 and became effective on January 1, 2021. The FY 2022 budget funds the implementation of the action plan developed in response to the SACSCOC prospectus virtual site visit, preparation for the SACSCOC reaffirmation process, and furthering The University of Texas System brand in East Texas by unifying the brand among academic, health science center, and health system entities.

U. T. Health Science Center - Tyler has also made great strides toward the establishment of a medical school in East Texas, which received budgetary approval during the 87<sup>th</sup> Legislature, and received candidate status from the Liaison Council on Medical Education in June of 2021. The FY 2022 operating budget supports critical milestones in this initiative, such as the recruitment of a founding Dean, planning for construction of facilities, and student recruitment.

In preparation for the opening of the medical school, the FY 2022 budget also supports growth in Graduate Medical Education (GME) programs at U. T. Health Science Center - Tyler. This strategic step not only ensures compliance with legislatively mandated requirements but enables medical students to continue their training in the region, improves access to medical care, and increases the likelihood of retaining physicians in East Texas.

The FY 2022 budget also funds efforts in the institution's strategic plan to improve and increase healthcare delivery by U. T. Health Science Center - Tyler physicians. The plan calls for building a critical mass of faculty physicians by growing the plan to at least 400 physicians and practitioners and over \$80 million in annual Physician Master Services Agreement (Physician MSA) revenue by FY 2024. Additionally, the budget will fund the implementation of the Epic Electronic Medical Record system, which will create a single medical record across the UT Health East Texas system, improving patient care, synergies, and revenue cycle performance.

These and other strategies serve the mission, vision, and values of U. T. Health Science Center - Tyler, thereby allowing the institution to continue to provide high quality patient care, education, and research and to retain world-class faculty, students, staff, and administrators.

**Revenue**

U. T. Health Science Center – Tyler's budgeted total revenues and transfers for FY 2022 are approximately 16 percent higher than the FY 2021 operating budget. This increase is driven primarily by four initiatives – continued clinical growth, expansion of the residency and GME programs, growth of the Physician MSA to establish U. T. Health Science Center – Tyler as the predominant employer of UT Health East Texas's physicians, and increased operating gifts related to the medical school and for critical care and nursing support initiatives.

**Expenses**

U. T. Health Science Center – Tyler's budgeted total expenses and transfers for FY 2022 are approximately 15.2 percent higher than the FY 2021 operating budget. This increase reflects the investment in four initiatives - growth of the residency and GME programs, ongoing expansion of the Physician MSA to establish U. T. Health Science Center - Tyler as the predominant employer of UT Health East Texas's physicians, establishing a medical school, and integrating U. T. Health Science Center - Tyler and U. T. Tyler into one administrative structure. The institution continues to invest in the School of Community and Rural Health, as well as ongoing outlays to improve the quality of and access to healthcare, increase behavioral health clinical capacity and workforce training, expand educational and residency programs and opportunities, maintain and improve infrastructure, and invest in and develop the Institution's human capital.

**The University of Texas at Tyler (Health Science Center at Tyler)**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 756,368	820,456	909,408	88,952	10.8%
Less Discounts and Allowances	(203,684)	-	(150,000)	(150,000)	-
Federal Sponsored Programs	13,238,926	10,301,285	11,706,677	1,405,392	13.6%
State Sponsored Programs	7,051,094	4,830,714	7,108,490	2,277,776	47.2%
Local and Private Sponsored Programs	42,710,581	38,495,462	67,281,559	28,786,097	74.8%
Net Sales and Services of Educational Activities	7,209,126	9,668,078	7,714,706	(1,953,372)	-20.2%
Net Sales and Services of Hospital and Clinics	146,984,123	121,384,195	149,004,974	27,620,779	22.8%
Net Professional Fees	24,793,767	30,074,817	24,842,205	(5,232,612)	-17.4%
Net Auxiliary Enterprises	189,719	167,728	171,652	3,924	2.3%
Other Operating Revenues	27,197,726	35,189,189	31,190,625	(3,998,564)	-11.4%
<b>Total Operating Revenues</b>	<b>269,927,746</b>	<b>250,931,924</b>	<b>299,780,296</b>	<b>48,848,372</b>	<b>19.5%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	76,994,443	71,022,466	101,091,393	30,068,927	42.3%
Compensation - Non-Faculty	72,650,262	71,389,587	77,563,181	6,173,594	8.6%
Wages	819,536	946,935	1,166,245	219,310	23.2%
Benefits	40,693,439	38,456,376	46,335,797	7,879,421	20.5%
Personnel Costs	191,157,680	181,815,364	226,156,616	44,341,252	24.4%
Utilities	2,384,057	2,574,485	2,466,539	(107,946)	-4.2%
Scholarships and Fellowships	384,003	80,000	150,000	70,000	87.5%
Less Discounts and Allowances	(212,902)	-	(150,000)	(150,000)	-
Operations, Maintenance and Travel	116,666,055	113,905,877	116,691,142	2,785,265	2.4%
Less Capitalized Portion and Cap Lease Activity	(765,273)	(800,000)	(2,599,000)	(1,799,000)	224.9%
Depreciation and Amortization	17,507,125	17,300,000	20,101,150	2,801,150	16.2%
<b>Total Operating Expenses</b>	<b>327,120,745</b>	<b>314,875,726</b>	<b>362,816,447</b>	<b>47,940,721</b>	<b>15.2%</b>
<b>Operating Surplus/Deficit</b>	<b>(57,192,999)</b>	<b>(63,943,802)</b>	<b>(63,036,151)</b>	<b>907,651</b>	<b>-1.4%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	52,824,862	54,466,516	54,332,132	(134,384)	-0.2%
Federal Sponsored Programs (Nonoperating)	81,912	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	4,209,593	5,235,469	7,083,021	1,847,552	35.3%
Net Investment Income	3,030,095	4,283,518	4,167,905	(115,613)	-2.7%
Other Non-Operating Revenue	1,784	-	-	-	-
Other Non-Operating (Expenses)	(200,000)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>59,948,246</b>	<b>63,985,503</b>	<b>65,583,058</b>	<b>1,597,555</b>	<b>2.5%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(626,606)	(746,188)	(819,482)	(73,294)	9.8%
<b>Total Transfers and Other</b>	<b>(626,606)</b>	<b>(746,188)</b>	<b>(819,482)</b>	<b>(73,294)</b>	<b>9.8%</b>
<b>Budget Margin (Deficit)</b>	<b>2,128,641</b>	<b>(704,487)</b>	<b>1,727,425</b>	<b>2,431,912</b>	<b>-345.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	25,383	20,483	25,383	4,900	23.9%
Net Inc./(Dec.) in Fair Value of Investments	13,188,584	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	83,691	277,902	83,691	(194,211)	-69.9%
Additions to Permanent Endowments	4,775,170	4,927,305	25,000	(4,902,305)	-99.5%
Transfers for Debt Service - Principal	-	-	-	-	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	12,493,429	11,597,035	11,642,672	45,637	0.4%
<b>SRECNP Change in Net Position</b>	<b>\$ 32,694,898</b>	<b>16,118,238</b>	<b>13,504,171</b>	<b>(2,614,067)</b>	<b>-16.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 330,075,992</b>	<b>314,917,427</b>	<b>365,363,354</b>	<b>50,445,927</b>	<b>16.0%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(327,947,351)</b>	<b>(315,621,914)</b>	<b>(363,635,929)</b>	<b>(48,014,015)</b>	<b>15.2%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 2,128,641</b>	<b>(704,487)</b>	<b>1,727,425</b>	<b>2,431,912</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		17,300,000	20,101,150		
Capital Outlay		(800,000)	(800,000)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(1,726,150)		
Budgeted Transfers		-	(10,022)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>15,795,513</b>	<b>19,292,403</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Tyler (Health Science Center at Tyler)**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 56,107,932	16,582,160	19,313,930	2,731,770	16.5%
Academic Support	4,565,524	14,775,114	5,824,589	(8,950,525)	-60.6%
Research	21,916,792	29,130,624	34,036,972	4,906,348	16.8%
Public Service	-	-	-	-	-
Hospitals and Clinics	201,717,237	212,948,356	256,310,153	43,361,797	20.4%
Institutional Support	15,519,249	14,236,716	16,457,613	2,220,897	15.6%
Student Services	-	-	803,127	803,127	-
Operations and Maintenance of Plant	9,522,401	9,641,230	9,766,993	125,763	1.3%
Scholarships and Fellowships	54,943	80,000	-	(80,000)	-100.0%
Auxiliary Enterprises	209,542	181,526	201,920	20,394	11.2%
Depreciation and Amortization	17,507,125	17,300,000	20,101,150	2,801,150	16.2%
Total Operating Expenses	\$ 327,120,745	314,875,726	362,816,447	47,940,721	15.2%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 200,260,952	230,484,725	30,223,773	15.1%
Designated	75,378,506	92,963,442	17,584,936	23.3%
Auxiliary	181,526	201,920	20,394	11.2%
Available University Fund	-	-	-	-
Restricted	23,300,930	22,560,842	(740,088)	-3.2%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	299,121,914	346,210,929	47,089,015	15.7%
Reconciling Adjustments:				
Tuition Discounting	-	(150,000)	(150,000)	-
Depreciation	17,300,000	20,101,150	2,801,150	16.2%
Capital Outlay	(800,000)	(800,000)	-	0.0%
Trsfers for Debt Service - Principal/Lease Principal	-	(1,726,150)	(1,726,150)	-
Total Expenses (Including Transfers for Interest)	\$ 315,621,914	363,635,929	48,014,015	15.2%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**SOUTHWESTERN MEDICAL CENTER**



**THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas Southwestern Medical Center, one of the premier academic medical centers in the nation, integrates pioneering biomedical research with exceptional clinical care and education. The mission of U. T. Southwestern Medical Center is to promote health and a healthy society that enables individuals to achieve their full potential in the community, Texas and beyond. This is accomplished through innovation and education, training physicians, scientists and other providers optimally prepared to serve the needs of patients; discovery, conducting high-impact, internationally recognized research that solves for unmet needs by finding better treatments, cures, and prevention with a commitment to ensuring real world application; and healing, delivering the best patient care possible today, with continuous improvement for better care tomorrow. Strategic positioning and programmatic investments are designed to sustain a trajectory of excellence and targeted growth in all these mission areas.

U. T. Southwestern Medical Center is dedicated to groundbreaking medical advances and quickly translating its research to new clinical treatments and improved public health commensurate with the Institution's reputation of quality and excellence. Notable examples include expansion of the Biomedical Engineering research and programs through a joint project with U. T. Dallas, launching a new School of Public Health, and continued expansion of the Peter O'Donnell Jr. Brain Institute and Harold C. Simmons Comprehensive Cancer Center. The new School of Public Health will develop and apply the most advanced techniques to identify, predict and address wide-scale health problems before they occur and respond to public health emergencies once they arise. The Peter O'Donnell Jr. Brain Institute encompasses both research and clinical programs, including the state-supported Texas Institute for Brain Injury and Repair and the Center for Alzheimer's and Neurodegenerative Diseases, to advance the treatment, cure and prevention of all forms of brain disease. With investments from the state and local community, the Institution is making significant strides toward enhancing public health with targeted attention to disease prevention and control, addressing health equity and disparities, and an aging patient population.

In addition to outstanding education and research programs, U. T. Southwestern Medical Center is committed to leadership in patient care and continues to gain recognition through national and international clinical awards. Steady growth of patient volume continues to exceed projections. In January 2021, the University opened a 292-bed third tower expansion of Clements University Hospital, providing additional inpatient capacity that was critical as inpatient volumes increased due to the COVID-19 pandemic. In May 2021, the Institution completed the expansion of the Radiation Oncology facility. Work also continues on the combined O'Donnell Brain Institute/Simmons Cancer Center buildings on North Campus as part of the Phase VI expansion, scheduled to open in 2022. In an effort to address medically underserved communities, the Institution will open a new outpatient clinical facility in southern Dallas in 2022.

A key driver of clinical growth is Southwestern Health Resources, a partnership with Texas Health Resources (THR) that includes a clinically integrated network of over 3,000 physicians, 27 hospitals, and approximately 300 clinics across 16 counties. It leverages the complementary strengths of U. T. Southwestern Medical Center and THR, enhancing joint initiatives, including significant growth of Accountable Care Organization program offerings with demonstrated improvement in patient outcomes and cost reductions. U. T. Southwestern Medical Center has further leveraged the relationship with THR to jointly develop a hospital and medical office building that opened in FY 2020 in the rapidly expanding Frisco, Texas market. Additionally, the Institution's clinical enterprise recently underwent a comprehensive strategic planning process to optimize its clinical network, further develop destination service lines, enhance value, quality, and patient experience, and leverage outstanding research capabilities in the clinical setting.

University leadership remains focused on placing industry leaders in key positions. Following national searches, several key positions have been filled with individuals who are prominent leaders in their fields. The most recent appointments include Joan W. Conaway, Ph.D., Vice Provost and Dean of Basic Research, Eric Peterson, M.D., M.P.H., inaugural Vice Provost and Senior Associate Dean of Clinical Research and Nader Pouratian, M.D., Ph.D., Chair of the Department of Neurological Surgery.

**Revenue**

The FY 2022 revenue budget of \$4.09 billion represents a 3.7 percent increase over the FY 2021 projection, driven by strong patient care volumes for university hospital and clinics, growth in faculty practice plan professional fees, and growth in sponsored research.

**Expenses**

The FY 2022 expense budget is \$4.06 billion. Expense growth related to university hospital, clinical operations, instruction, and research are proportional to revenue growth, and growth in interest and depreciation expense are related to new facilities enabling programmatic growth. The Institution continues to implement cost savings measures to limit expense increases where possible. The budget includes funds to cover projected debt service to finance expansion activities and major information resources projects.

**The University of Texas Southwestern Medical Center**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 29,103,255	28,658,133	29,202,898	544,765	1.9%
Less Discounts and Allowances	(1,250,000)	(1,250,000)	(1,250,000)	-	0.0%
Federal Sponsored Programs	268,020,627	239,368,778	253,977,877	14,609,099	6.1%
State Sponsored Programs	48,396,280	43,714,999	51,255,083	7,540,084	17.2%
Local and Private Sponsored Programs	429,576,396	395,297,070	435,461,539	40,164,469	10.2%
Net Sales and Services of Educational Activities	13,761,651	10,883,241	9,450,350	(1,432,891)	-13.2%
Net Sales and Services of Hospital and Clinics	1,795,216,143	1,651,701,011	1,978,242,389	326,541,378	19.8%
Net Professional Fees	721,623,438	763,021,207	763,777,577	756,370	0.1%
Net Auxiliary Enterprises	24,915,849	29,498,454	23,650,799	(5,847,655)	-19.8%
Other Operating Revenues	172,343,982	128,317,462	153,735,746	25,418,284	19.8%
<b>Total Operating Revenues</b>	<b>3,501,707,621</b>	<b>3,289,210,355</b>	<b>3,697,504,258</b>	<b>408,293,903</b>	<b>12.4%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	768,264,976	758,198,524	772,259,034	14,060,510	1.9%
Compensation - Non-Faculty	1,147,442,452	1,129,470,663	1,256,191,661	126,720,998	11.2%
Wages	32,245,643	31,906,988	29,638,023	(2,268,965)	-7.1%
Benefits	491,746,561	461,298,842	494,595,001	33,296,159	7.2%
Personnel Costs	2,439,699,632	2,380,875,017	2,552,683,719	171,808,702	7.2%
Utilities	24,318,117	25,409,637	25,011,293	(398,344)	-1.6%
Scholarships and Fellowships	2,250,000	3,500,000	3,500,000	-	0.0%
Less Discounts and Allowances	(1,250,000)	(1,250,000)	(1,250,000)	-	0.0%
Operations, Maintenance and Travel	1,200,428,905	1,067,461,486	1,235,397,811	167,936,325	15.7%
Less Capitalized Portion and Cap Lease Activity	(30,000,000)	(60,993,947)	(56,950,997)	4,042,950	-6.6%
Depreciation and Amortization	208,292,252	195,000,000	247,532,230	52,532,230	26.9%
<b>Total Operating Expenses</b>	<b>3,843,738,906</b>	<b>3,610,002,193</b>	<b>4,005,924,056</b>	<b>395,921,863</b>	<b>11.0%</b>
<b>Operating Surplus/Deficit</b>	<b>(342,031,285)</b>	<b>(320,791,838)</b>	<b>(308,419,798)</b>	<b>12,372,040</b>	<b>-3.9%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	184,391,809	184,112,786	188,270,910	4,158,124	2.3%
Federal Sponsored Programs (Nonoperating)	66,367,415	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	64,092,429	63,000,000	65,000,000	2,000,000	3.2%
Net Investment Income	148,790,136	136,818,138	140,167,503	3,349,365	2.4%
Other Non-Operating Revenue	-	29,166	29,166	-	0.0%
Other Non-Operating (Expenses)	(609,154)	(291,165)	(112,500)	178,665	-61.4%
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>463,032,635</b>	<b>383,668,925</b>	<b>393,355,079</b>	<b>9,686,154</b>	<b>2.5%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(37,983,131)	(44,789,432)	(53,418,783)	(8,629,351)	19.3%
<b>Total Transfers and Other</b>	<b>(37,983,131)</b>	<b>(44,789,432)</b>	<b>(53,418,783)</b>	<b>(8,629,351)</b>	<b>19.3%</b>
<b>Budget Margin (Deficit)</b>	<b>83,018,219</b>	<b>18,087,655</b>	<b>31,516,498</b>	<b>13,428,843</b>	<b>74.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	2,000,000	6,000,000	2,020,000	(3,980,000)	-66.3%
Additions to Permanent Endowments	14,886,544	10,000,000	15,035,410	5,035,410	50.4%
Transfers for Debt Service - Principal	-	-	(68,438,767)	(68,438,767)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	452,731,558	185,000,000	117,023,873	(67,976,127)	-36.7%
<b>SRECNP Change in Net Position</b>	<b>\$ 552,636,321</b>	<b>219,087,655</b>	<b>97,157,014</b>	<b>(121,930,641)</b>	<b>-55.7%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 3,965,349,410</b>	<b>3,673,170,445</b>	<b>4,090,971,837</b>	<b>417,801,392</b>	<b>11.4%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(3,882,331,191)</b>	<b>(3,655,082,790)</b>	<b>(4,059,455,339)</b>	<b>(404,372,549)</b>	<b>11.1%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 83,018,219</b>	<b>18,087,655</b>	<b>31,516,498</b>	<b>13,428,843</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		195,000,000	247,532,230		
Capital Outlay		(60,993,947)	(33,750,000)		
Trsfrs for Debt Service-Principal/Lease Principal		-	(90,186,602)		
Budgeted Transfers		-	-		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>152,093,708</b>	<b>155,112,126</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas Southwestern Medical Center**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 1,153,056,464	1,121,887,876	1,119,843,551	(2,044,325)	-0.2%
Academic Support	73,976,712	63,790,179	68,894,968	5,104,789	8.0%
Research	406,508,282	379,601,756	410,270,637	30,668,881	8.1%
Public Service	26,699,892	33,439,479	27,066,568	(6,372,911)	-19.1%
Hospitals and Clinics	1,771,830,837	1,593,884,523	1,914,811,348	320,926,825	20.1%
Institutional Support	80,826,948	91,871,083	82,980,809	(8,890,274)	-9.7%
Student Services	3,103,385	6,241,274	3,136,300	(3,104,974)	-49.7%
Operations and Maintenance of Plant	85,525,312	84,988,258	87,585,774	2,597,516	3.1%
Scholarships and Fellowships	5,883,274	5,150,221	4,806,932	(343,289)	-6.7%
Auxiliary Enterprises	28,035,548	34,147,544	38,994,939	4,847,395	14.2%
Depreciation and Amortization	208,292,252	195,000,000	247,532,230	52,532,230	26.9%
<b>Total Operating Expenses</b>	<b>\$ 3,843,738,906</b>	<b>3,610,002,193</b>	<b>4,005,924,056</b>	<b>395,921,863</b>	<b>11.0%</b>

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 199,861,581	204,240,616	4,379,035	2.2%
Designated	2,892,751,842	3,278,449,118	385,697,276	13.3%
Auxiliary	37,623,297	49,182,708	11,559,411	30.7%
Available University Fund	-	-	-	-
Restricted	362,090,017	370,237,269	8,147,252	2.3%
Unexpended Plant	30,000,000	35,000,000	5,000,000	16.7%
Subtotal - Expenditures (All Funds)	3,522,326,737	3,937,109,711	414,782,974	11.8%
Reconciling Adjustments:				
Tuition Discounting	(1,250,000)	(1,250,000)	-	0.0%
Depreciation	195,000,000	247,532,230	52,532,230	26.9%
Capital Outlay	(60,993,947)	(33,750,000)	27,243,947	-44.7%
Trsfers for Debt Service - Principal/Lease Principal	-	(90,186,602)	(90,186,602)	-
<b>Total Expenses (Including Transfers for Interest)</b>	<b>\$ 3,655,082,790</b>	<b>4,059,455,339</b>	<b>404,372,549</b>	<b>11.1%</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**MEDICAL BRANCH**  
**AT GALVESTON**



**THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The FY 2022 operating budget of The University of Texas Medical Branch at Galveston allocates resources to ensure continued support for the University's mission: to improve health for the people of Texas and around the world by offering innovative education and training, pursuing cutting-edge research, and providing the highest quality patient care. U. T. Medical Branch - Galveston's strategic plan serves as the blueprint for the University's annual scope of work, and includes detailed goals and actions, timelines, and leader assignments. The strategic plan is organized around four broad areas—education, research, patient care, and organizational effectiveness—and supports achievement related to people, value, strategic growth, and management and resources. The FY 2022 budget represents the University's proposed financial plan for the upcoming fiscal year; however, the unknowns of pandemic recovery and the political ambiguity of the Delivery System Reform Incentive Payment program pose potential risks to the achievement of this plan.

Regarding the "people" focus and the University's commitment to diversity, equity, and inclusion, the FY 2022 operating budget provides support for over \$25 million in compensation improvements, including dollars to protect Faculty from compensation reductions resulting from the COVID-19 pandemic's impact on FY 2021 clinical volumes. Also reflected is a return to staff merit increases of 3 percent, as well as market-based adjustments to ensure nurses, clinical staff, and other support personnel are compensated competitively to other health care providers in the Houston/Galveston market area.

Regarding "value," U. T. Medical Branch - Galveston will continue to streamline systems, improve outcomes, and deliver the best health sciences education, health care, and patient support services in FY 2022. With clinical reimbursement from commercial and governmental payors expected to remain flat or decline, the University will continue to identify and capitalize on strategies to enhance revenues and reduce expenses to meet its budget, deliver an appropriate margin, and maintain its status as a high-quality health care provider in the communities it serves and training ground for the health care work force of the future.

The University's "growth" strategies in FY 2022 call for strengthening its competitive position in key markets such as League City, Clear Lake, the Bay Area, and the Southeast Texas region. Clinical strategic priorities for those markets include: Primary Care, Orthopedics, Gastroenterology, Cardiology, Women's and Children's Services, and Neurosciences, as well as expansion of the University's ambulatory footprint into the Lake Jackson and Beaumont markets. Academic growth initiatives include the formation of a School of Public Health and reinstatement of an Emergency Medicine resident training program discontinued after Hurricane Ike. U. T. Medical Branch - Galveston will continue to advance its research strategic plan to ensure maximum utilization of Biosafety level 4 (BSL4) and Galveston National Laboratory resources. The University will also continue to play a leadership role in developing therapeutics and vaccines to mitigate or eradicate COVID-19 and other infectious diseases. To that end, U. T. Medical Branch - Galveston was among the first in the state to provide mass testing for the disease with prompt reporting capabilities. Testing was provided to patients in approximately two-thirds of the counties across Texas and the University was a key partner in the creation and testing of the Pfizer-BioNTech vaccine. In addition, the University is initiating a center to spur progress in drug discovery.

Regarding strategies related to "resources," various clinical, research, and academic projects are being financially supported by community benefactors, including The Sealy & Smith Foundation. The FY 2022 operating budget requires efficiency gains across several areas. The University will optimize the forecasting, decision support, and financial management infrastructure to achieve planned financial results.

**Revenue**

Total budgeted operating revenue for FY 2022 reflects an increase of \$175.9 million (9.1 percent) from the FY 2021 budget, primarily related to expanded use of capacity on the Clear Lake and League City campuses and a return of elective clinical volumes disrupted by the COVID-19 pandemic in FY 2021. Also included is the estimated impact of an application for rural reclassification approved by the Center for Medicare and Medicaid Services. This designation will increase the University's reimbursable resident education positions by 30 percent. The first year of the rural reclassification will result in a \$12 million decline in Medicare reimbursement and overall adjusted margin. The years following should result in an approximate \$8 million annual increase in Medicare reimbursement, as well as funding for the expanded resident positions.

**Expenses**

Total budgeted operating expenses for FY 2022 reflect an increase of \$167.9 million (7.1 percent) from the prior year, primarily attributable to clinical staffing and supplies related to expanded clinical volumes. Increases in depreciation expense are related to the implementation of provisions required by Governmental Accounting Standards Board Statement Number 87.

**The University of Texas Medical Branch at Galveston**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 55,826,188	52,673,834	59,871,867	7,198,033	13.7%
Less Discounts and Allowances	(5,318,511)	(4,133,660)	(4,800,657)	(666,997)	16.1%
Federal Sponsored Programs	125,764,070	123,054,542	128,842,384	5,787,842	4.7%
State Sponsored Programs	13,540,207	13,248,490	13,517,693	269,203	2.0%
Local and Private Sponsored Programs	65,270,001	63,863,789	61,963,466	(1,900,323)	-3.0%
Net Sales and Services of Educational Activities	14,226,183	14,244,832	16,002,567	1,757,735	12.3%
Net Sales and Services of Hospital and Clinics	1,474,617,928	1,382,603,150	1,476,629,453	94,026,303	6.8%
Net Professional Fees	236,710,624	219,350,010	242,606,278	23,256,268	10.6%
Net Auxiliary Enterprises	14,066,721	16,821,330	14,673,978	(2,147,352)	-12.8%
Other Operating Revenues	81,040,053	52,389,419	100,693,856	48,304,437	92.2%
<b>Total Operating Revenues</b>	<b>2,075,743,464</b>	<b>1,934,115,736</b>	<b>2,110,000,885</b>	<b>175,885,149</b>	<b>9.1%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	210,341,381	202,895,948	208,208,879	5,312,931	2.6%
Compensation - Non-Faculty	842,352,948	812,536,266	846,262,156	33,725,890	4.2%
Wages	106,834,623	103,053,009	109,641,185	6,588,176	6.4%
Benefits	355,335,351	299,235,230	363,530,958	64,295,728	21.5%
Personnel Costs	1,514,864,303	1,417,720,453	1,527,643,178	109,922,725	7.8%
Utilities	35,681,325	34,540,236	33,298,985	(1,241,251)	-3.6%
Scholarships and Fellowships	15,101,512	10,930,565	11,704,170	773,605	7.1%
Less Discounts and Allowances	(5,318,511)	(4,133,660)	(4,800,657)	(666,997)	16.1%
Operations, Maintenance and Travel	760,151,482	779,323,273	877,784,444	98,461,171	12.6%
Less Capitalized Portion and Cap Lease Activity	(63,127,151)	(90,429,318)	(146,439,011)	(56,009,693)	61.9%
Depreciation and Amortization	199,107,293	199,723,540	216,335,316	16,611,776	8.3%
<b>Total Operating Expenses</b>	<b>2,456,460,253</b>	<b>2,347,675,089</b>	<b>2,515,526,425</b>	<b>167,851,336</b>	<b>7.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(380,716,789)</b>	<b>(413,559,353)</b>	<b>(405,525,540)</b>	<b>8,033,813</b>	<b>-1.9%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	359,565,891	359,389,830	357,360,135	(2,029,695)	-0.6%
Federal Sponsored Programs (Nonoperating)	24,710,880	1,200,000	1,050,000	(150,000)	-12.5%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	8,096,903	7,995,668	9,660,516	1,664,848	20.8%
Net Investment Income	63,521,049	58,420,677	59,653,720	1,233,043	2.1%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>455,894,723</b>	<b>427,006,175</b>	<b>427,724,371</b>	<b>718,196</b>	<b>0.2%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(21,072,473)	(26,886,822)	(30,598,831)	(3,712,009)	13.8%
<b>Total Transfers and Other</b>	<b>(21,072,473)</b>	<b>(26,886,822)</b>	<b>(30,598,831)</b>	<b>(3,712,009)</b>	<b>13.8%</b>
<b>Budget Margin (Deficit)</b>	<b>54,105,461</b>	<b>(13,440,000)</b>	<b>(8,400,000)</b>	<b>5,040,000</b>	<b>-37.5%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	20,521,333	37,339,156	24,483,333	(12,855,823)	-34.4%
Additions to Permanent Endowments	7,950,277	3,967,000	3,519,182	(447,818)	-11.3%
Transfers for Debt Service - Principal	-	-	(60,288,000)	(60,288,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	68,593,519	63,339,723	52,334,499	(11,005,224)	-17.4%
<b>SRECNP Change in Net Position</b>	<b>\$ 151,170,590</b>	<b>91,205,879</b>	<b>11,649,014</b>	<b>(79,556,865)</b>	<b>-87.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 2,531,638,187</b>	<b>2,361,121,911</b>	<b>2,537,725,256</b>	<b>176,603,345</b>	<b>7.5%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(2,477,532,726)</b>	<b>(2,374,561,911)</b>	<b>(2,546,125,256)</b>	<b>(171,563,345)</b>	<b>7.2%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 54,105,461</b>	<b>(13,440,000)</b>	<b>(8,400,000)</b>	<b>5,040,000</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		199,723,540	216,335,316		
Capital Outlay		(90,429,318)	(117,578,290)		
Trsfers for Debt Service-Principal/Lease Principal		-	(83,928,679)		
Budgeted Transfers		-	-		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>95,854,222</b>	<b>6,428,347</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Medical Branch at Galveston**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 372,930,600	357,030,732	379,706,459	22,675,727	6.4%
Academic Support	37,500,823	44,175,985	38,226,666	(5,949,319)	-13.5%
Research	119,358,596	110,325,085	121,668,828	11,343,743	10.3%
Public Service	33,226,514	14,783,381	33,869,626	19,086,245	129.1%
Hospitals and Clinics	1,533,724,144	1,473,104,397	1,563,852,335	90,747,938	6.2%
Institutional Support	75,232,696	71,239,701	76,688,854	5,449,153	7.6%
Student Services	7,715,076	6,712,994	7,864,404	1,151,410	17.2%
Operations and Maintenance of Plant	47,639,855	44,005,489	48,561,943	4,556,454	10.4%
Scholarships and Fellowships	14,867,350	10,760,732	15,155,113	4,394,381	40.8%
Auxiliary Enterprises	15,157,306	15,813,053	13,596,881	(2,216,172)	-14.0%
Depreciation and Amortization	199,107,293	199,723,540	216,335,316	16,611,776	8.3%
Total Operating Expenses	\$ 2,456,460,253	2,347,675,089	2,515,526,425	167,851,336	7.1%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 820,343,087	1,010,062,106	189,719,019	23.1%
Designated	1,190,909,373	1,221,030,281	30,120,908	2.5%
Auxiliary	16,412,542	14,981,153	(1,431,389)	-8.7%
Available University Fund	-	-	-	-
Restricted	159,034,767	170,991,481	11,956,714	7.5%
Unexpended Plant	82,701,580	119,032,545	36,330,965	43.9%
Subtotal - Expenditures (All Funds)	2,269,401,349	2,536,097,566	266,696,217	11.8%
Reconciling Adjustments:				
Tuition Discounting	(4,133,660)	(4,800,657)	(666,997)	16.1%
Depreciation	199,723,540	216,335,316	16,611,776	8.3%
Capital Outlay	(90,429,318)	(117,578,290)	(27,148,972)	30.0%
Trsfers for Debt Service - Principal/Lease Principal	-	(83,928,679)	(83,928,679)	-
Total Expenses (Including Transfers for Interest)	\$ 2,374,561,911	2,546,125,256	171,563,345	7.2%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS  
HEALTH SCIENCE CENTER  
AT HOUSTON**



**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas Health Science Center at Houston is Houston's Health University and Texas' resource for health care education, innovation, scientific discovery, and excellence in patient care. The most comprehensive academic health center in The University of Texas System and the United States Gulf Coast region, U. T. Health Science Center - Houston is home to schools of biomedical informatics, biomedical sciences, dentistry, public health, the Jane and Robert Cizik School of Nursing, and the John P. and Kathrine G. McGovern Medical School. It also includes The University of Texas Harris County Psychiatric Center (HCPC), as well as the growing clinical practices UT Physicians, UT Dentists, and UT Health Services.

The Institution continues the strategy of clinical expansion through key recruitments and acquisitions as a means to support the academic and research mission in FY 2022. Much of the budget growth is funded by the additional support of primary hospital partners, Memorial Hermann Healthcare System (MHHS), and the Harris County Hospital District (Harris Health), as well as physician-generated revenue. The FY 2022 budget continues to include the 1115 Waiver's Uncompensated Care and Delivery System Reform Incentive Payment initiatives and the Network Access Improvement Program, which remain critical funding sources of the Institution's programs designed to provide quality clinical care to the underserved throughout Greater Houston.

The COVID-19 pandemic had an effect on all aspects of the Institution's education, research, and clinical missions. The FY 2022 budget reflects the Institution's rebound from the worst of the pandemic. Sponsored program revenues (both operating and non-operating) from federal, state, and local sources have provided additional resources to supplement lost professional fee revenues, to assist students affected by the pandemic, and provide the resources for COVID-19 testing and contact tracing initiatives. Moving forward, to the extent funding is provided at a future special legislative session, the School of Public Health will take a prominent role in the state's response to future pandemics/epidemics as the Legislature this past session created a new state agency under the authority of the Board of Regents and U. T. Health Science Center - Houston, the Texas Epidemic Public Health Institute.

U. T. Health Science Center - Houston has made it a top priority to enhance the information technology infrastructure and two critical software programs will have their first full year in FY 2022. The Institution implemented Epic in May 2021, a major software project that replaces the Institution's former electronic health record and revenue cycle systems and is designed to enhance the patient experience, all while bringing consistency to clinic operations and providing additional opportunities for improvement in revenue cycle management. Administratively, the Institution implemented Coupa software, the market leader in procure-to-pay software, intended to drive supply chain savings through increased electronic catalogue procurement.

The Institution, along with the Texas Department of Health and Human Services Commission (HHSC), broke ground in late FY 2019 on construction of a \$125.0 million Behavioral Sciences Campus that will be funded by the state, owned by HHSC, and operated by HCPC physicians and staff. It will include short- and long-term care options, residential treatment, and add 240 beds to HCPC's existing 274 beds to create the largest academic psychiatric hospital in the country. The facility is scheduled to open in late FY 2022.

**Revenue**

The FY 2022 \$2.0 billion revenue budget includes an increase of \$147.2 million, or 7.9 percent, in total operating and non-operating revenues over the FY 2021 budget. This is driven by MHHS and Harris Health contract increases of approximately \$43.3 million in local and private sponsored programs, and an additional \$21.7 million in physician practice plan professional fee revenues associated with the departments of Advanced Heart Failure, Neurosurgery, and Ophthalmology from acquisitions and recruitment efforts, increased faculty productivity, and revenue cycle optimization. Federal sponsored programs revenue (operating and non-operating) are projected to increase by \$44.1 million, or 25.4 percent, as a result of COVID-19 pandemic funding to the Institution which includes the Higher Education Emergency Relief Fund for student assistance and sponsored program awards for research and public service activities. Investment income also continues to increase due to distribution rates from the Long-Term Fund providing additional resources for the Institution.

**Expenses**

The FY 2022 expense budget is projecting a total increase of \$124.5 million or 6.6 percent. Compensation for both faculty and non-faculty positions, and the associated benefits, tied to enhanced clinical activities and the continued transition of Insperty staff positions onto the U. T. Health Science Center - Houston payroll are the main drivers of the increase. A corresponding increase in expenses due to federal sponsored program awards related to the response to the COVID-19 pandemic is also a major factor in the increased expenses for the next fiscal year. Depreciation and amortization expense have a notable increase due to the completion of renovations at the Jesse Jones Library, the first full year of Epic, and new accounting standards regarding lease payments.

**The University of Texas Health Science Center at Houston**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 70,546,477	63,619,252	72,133,154	8,513,902	13.4%
Less Discounts and Allowances	(1,298,602)	(1,450,000)	(1,374,300)	75,700	-5.2%
Federal Sponsored Programs	199,782,048	173,152,964	212,271,634	39,118,670	22.6%
State Sponsored Programs	29,427,168	33,191,582	36,216,451	3,024,869	9.1%
Local and Private Sponsored Programs	682,306,771	677,866,326	727,634,561	49,768,235	7.3%
Net Sales and Services of Educational Activities	42,334,119	23,003,028	23,002,150	(878)	0.0%
Net Sales and Services of Hospital and Clinics	85,209,251	83,305,790	84,379,295	1,073,505	1.3%
Net Professional Fees	428,420,624	439,415,543	461,070,467	21,654,924	4.9%
Net Auxiliary Enterprises	24,884,235	31,367,430	31,028,344	(339,086)	-1.1%
Other Operating Revenues	80,003,098	55,714,526	56,908,886	1,194,360	2.1%
<b>Total Operating Revenues</b>	<b>1,641,615,189</b>	<b>1,579,186,441</b>	<b>1,703,270,642</b>	<b>124,084,201</b>	<b>7.9%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	576,827,879	556,171,977	592,184,101	36,012,124	6.5%
Compensation - Non-Faculty	615,327,761	589,819,762	629,606,723	39,786,961	6.7%
Wages	19,281,863	20,925,824	21,052,451	126,627	0.6%
Benefits	259,867,525	264,429,589	280,326,395	15,896,806	6.0%
Personnel Costs	1,471,305,028	1,431,347,152	1,523,169,670	91,822,518	6.4%
Utilities	14,669,916	15,993,435	15,894,706	(98,729)	-0.6%
Scholarships and Fellowships	10,356,576	9,993,956	11,219,752	1,225,796	12.3%
Less Discounts and Allowances	(1,298,602)	(1,450,000)	(1,374,300)	75,700	-5.2%
Operations, Maintenance and Travel	361,027,523	361,075,505	389,330,773	28,255,268	7.8%
Less Capitalized Portion and Cap Lease Activity	(13,037,892)	(11,518,303)	(24,271,546)	(12,753,243)	110.7%
Depreciation and Amortization	66,356,491	64,439,902	79,216,134	14,776,232	22.9%
<b>Total Operating Expenses</b>	<b>1,909,379,040</b>	<b>1,869,881,647</b>	<b>1,993,185,189</b>	<b>123,303,542</b>	<b>6.6%</b>
<b>Operating Surplus/Deficit</b>	<b>(267,763,851)</b>	<b>(290,695,206)</b>	<b>(289,914,547)</b>	<b>780,659</b>	<b>-0.3%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	216,851,825	216,726,556	221,400,922	4,674,366	2.2%
Federal Sponsored Programs (Nonoperating)	7,215,114	752,030	5,773,124	5,021,094	667.7%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	13,848,810	9,180,000	13,848,810	4,668,810	50.9%
Net Investment Income	65,932,675	57,809,426	66,521,709	8,712,283	15.1%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>303,848,424</b>	<b>284,468,012</b>	<b>307,544,565</b>	<b>23,076,553</b>	<b>8.1%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(5,984,299)	(6,239,394)	(7,468,032)	(1,228,638)	19.7%
<b>Total Transfers and Other</b>	<b>(5,984,299)</b>	<b>(6,239,394)</b>	<b>(7,468,032)</b>	<b>(1,228,638)</b>	<b>19.7%</b>
<b>Budget Margin (Deficit)</b>	<b>30,100,274</b>	<b>(12,466,588)</b>	<b>10,161,986</b>	<b>22,628,574</b>	<b>-181.5%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	5,560,000	3,200,000	3,000,000	(200,000)	-6.3%
Net Inc./(Dec.) in Fair Value of Investments	188,481,807	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	20,776,247	15,000,000	15,000,000	-	0.0%
Transfers for Debt Service - Principal	(2,630,000)	(2,150,000)	(12,047,000)	(9,897,000)	460.3%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	40,601,068	9,863,100	10,000,000	136,900	1.4%
<b>SRECNP Change in Net Position</b>	<b>\$ 282,889,396</b>	<b>13,446,512</b>	<b>26,114,986</b>	<b>12,668,474</b>	<b>94.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 1,945,463,613</b>	<b>1,863,654,453</b>	<b>2,010,815,207</b>	<b>147,160,754</b>	<b>7.9%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,915,363,339)</b>	<b>(1,876,121,041)</b>	<b>(2,000,653,221)</b>	<b>(124,532,180)</b>	<b>6.6%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 30,100,274</b>	<b>(12,466,588)</b>	<b>10,161,986</b>	<b>22,628,574</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		64,439,902	79,216,134		
Capital Outlay		(11,518,303)	(18,094,141)		
Trsfers for Debt Service-Principal/Lease Principal		(2,150,000)	(17,741,969)		
Budgeted Transfers		655,000	667,000		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>38,960,011</b>	<b>54,209,010</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas Health Science Center at Houston**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 832,421,023	816,033,965	848,186,847	32,152,882	3.9%
Academic Support	69,303,305	67,075,060	69,105,474	2,030,414	3.0%
Research	219,662,188	218,487,922	267,191,677	48,703,755	22.3%
Public Service	40,415,771	39,545,145	54,153,563	14,608,418	36.9%
Hospitals and Clinics	520,253,788	509,368,568	511,819,661	2,451,093	0.5%
Institutional Support	85,303,096	81,182,971	86,816,438	5,633,467	6.9%
Student Services	12,000,116	11,500,781	12,058,189	557,408	4.8%
Operations and Maintenance of Plant	37,964,873	36,637,972	37,215,979	578,007	1.6%
Scholarships and Fellowships	8,756,763	8,543,956	9,845,452	1,301,496	15.2%
Auxiliary Enterprises	17,440,780	17,065,405	17,575,775	510,370	3.0%
Depreciation and Amortization	65,857,337	64,439,902	79,216,134	14,776,232	22.9%
Total Operating Expenses	\$ 1,909,379,040	1,869,881,647	1,993,185,189	123,303,542	6.6%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 306,870,196	310,939,347	4,069,151	1.3%
Designated	1,223,719,251	1,279,400,680	55,681,429	4.6%
Auxiliary	20,231,839	25,268,542	5,036,703	24.9%
Available University Fund	-	-	-	-
Restricted	275,978,156	343,038,928	67,060,772	24.3%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	1,826,799,442	1,958,647,497	131,848,055	7.2%
Reconciling Adjustments:				
Tuition Discounting	(1,450,000)	(1,374,300)	75,700	-5.2%
Depreciation	64,439,902	79,216,134	14,776,232	22.9%
Capital Outlay	(11,518,303)	(18,094,141)	(6,575,838)	57.1%
Trsfers for Debt Service - Principal/Lease Principal	(2,150,000)	(17,741,969)	(15,591,969)	725.2%
Total Expenses (Including Transfers for Interest)	\$ 1,876,121,041	2,000,653,221	124,532,180	6.6%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS  
HEALTH SCIENCE CENTER  
AT SAN ANTONIO**



**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO**  
**OPERATING BUDGET HIGHLIGHTS**  
**FISCAL YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The FY 2022 Operating Budget for The University of Texas Health Science Center at San Antonio sustains multi-year and new strategic investments totaling \$50.1 million with an operating margin that is improved by \$14 million over FY 2021. In addition, \$32.6 million will be added to cash reserves in FY 2022. These strategic investments support the Institution's highest strategic priorities of clinical transformation, research growth, implementation of organizational efficiencies, and continued hospital planning efforts and continue to fortify the research and clinical enterprises and provide the foundation supporting a multi-specialty hospital.

Continued execution of clinical transformation and expansion goals focus on growing existing practices, opening new clinical sites, extending the institution's primary care network, creating increased capacity and access for patients, growing geographic reach, and continued development of distinguished programs. Areas of investment include clinical recruitments and start-up costs for the clinical expansion. The De Zavala Multi-Specialty Clinic, a new 4,500 square foot clinic with primary care and sports medicine as the anchor, will open in the Fall of 2021. The Gateway Pediatric Multi-Specialty Clinic will consolidate the pediatric practice in one convenient location and create a commercial practice. The Park West Multi-Specialty Doctor's Office Building, an 84,000 square foot, four story, free-standing medical office building, located in a rapidly growing area in northwest San Antonio, is scheduled to open in 2023. These initiatives support the strategic goals of expanding primary care, increasing access to specialty providers, and expanding the U. T. Health Science Center – San Antonio geographic footprint and will build the Institution's outpatient base to support the new hospital. In addition, the School of Nursing plans to operate an on-campus comprehensive and integrated college health wellbeing program for the nearly 34,000 students at The University of Texas at San Antonio.

In March of 2021, the Institution broke ground on the UT Health Multispecialty and Research Hospital, a \$430 million multi-specialty hospital, scheduled to open in 2024. A Chief Executive Officer for the hospital is one of the key leadership recruitments planned for FY 2022. A search firm has been engaged to assist with the recruitment of the leadership team who will work closely with teams of stakeholders to engineer the operations.

Research investments focus on renovating existing lab space to retain and attract talent and the repair of aged lab animal facilities to support research and maintain accreditation. Key recruitments planned for FY 2022 include Basic Sciences chairs in the departments of Pharmacology, Biochemistry, and Microbiology. Investments in new space to house the Alzheimer's and Neurodegenerative Diseases Institute and other brain health research activity will enhance translational research collaborations across basic sciences and clinical departments.

The final phase of a strategic assessment for growth and effectiveness, the Enterprise Design for Growth and Effectiveness (EDGE), is being actively implemented. EDGE realigns functions and infrastructure to improve services and achieve financial and growth targets ultimately delivering on the missions of the Institution. Through this initiative, the Institution will gain 123 FTEs, valued at \$7.8 million of capacity for re-investment in mission critical work. A component of EDGE includes a new budget allocation model and the FY 2022 Operating Budget includes the implementation of a phased-in approach to the institution's planned budget model redesign initiative. Other planned operational efficiencies include consolidating space through transitioning the administrative units to a permanent or hybrid telecommuting arrangement and a permanent reduction of nearly 40 percent (\$6 million) from pre-COVID-19 pandemic travel, meetings, and entertainment budgets.

**Revenue**

Total revenues are expected to increase by a net of \$109.8 million (11.3 percent) primarily driven by clinical revenue growth of \$51.9 million (19.7 percent) and sponsored programs revenue growth of \$35.4 million (9.4 percent). Tuition and fees are anticipated to generate \$4.2 million in new revenues with sustained enrollment growth and new programs (\$3.1 million) and Board authorized tuition increases (\$1.1 million). Net investment income is expected to grow by \$4.3 million from endowment portfolio growth and investing a larger portion in long term funds for a higher yield.

**Expenses**

Total expenses for FY 2022 are projected to increase by a net of \$95.5 million (9.5 percent) from the prior year budget with changes predominately occurring from the targeted clinical and research growth discussed above. A provision for a 2 percent merit increase for all non-faculty employees of \$4.5 million is incorporated in budgeted salary expenses. Compensation increases and the recruitment of nearly 270 new faculty and staff to support clinical and research growth account for an increase of \$20.4 million in benefits expenses.

**The University of Texas Health Science Center at San Antonio**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 53,128,158	51,716,579	56,027,024	4,310,445	8.3%
Less Discounts and Allowances	(1,725,770)	(1,725,770)	(1,828,496)	(102,726)	6.0%
Federal Sponsored Programs	133,476,841	127,850,358	143,582,319	15,731,961	12.3%
State Sponsored Programs	14,305,869	25,561,780	23,928,000	(1,633,780)	-6.4%
Local and Private Sponsored Programs	243,647,588	221,552,027	242,828,733	21,276,706	9.6%
Net Sales and Services of Educational Activities	26,413,458	23,688,264	27,389,546	3,701,282	15.6%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	295,423,977	263,850,701	315,708,288	51,857,587	19.7%
Net Auxiliary Enterprises	5,096,158	6,095,181	6,167,000	71,819	1.2%
Other Operating Revenues	23,993,100	26,924,448	32,486,475	5,562,027	20.7%
<b>Total Operating Revenues</b>	<b>793,759,379</b>	<b>745,513,568</b>	<b>846,288,889</b>	<b>100,775,321</b>	<b>13.5%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	312,636,313	309,533,757	331,688,841	22,155,084	7.2%
Compensation - Non-Faculty	238,327,329	230,690,883	252,118,052	21,427,169	9.3%
Wages	4,785,641	6,994,799	8,665,947	1,671,148	23.9%
Benefits	149,467,910	140,861,565	161,261,295	20,399,730	14.5%
Personnel Costs	705,217,193	688,081,004	753,734,135	65,653,131	9.5%
Utilities	17,551,101	18,649,147	17,109,310	(1,539,837)	-8.3%
Scholarships and Fellowships	10,251,830	10,477,916	11,942,345	1,464,429	14.0%
Less Discounts and Allowances	(1,725,770)	(1,725,770)	(1,828,496)	(102,726)	6.0%
Operations, Maintenance and Travel	264,234,306	220,142,653	263,859,732	43,717,079	19.9%
Less Capitalized Portion and Cap Lease Activity	(24,870,810)	(8,786,796)	(24,797,499)	(16,010,703)	182.2%
Depreciation and Amortization	67,218,192	67,500,000	70,875,000	3,375,000	5.0%
<b>Total Operating Expenses</b>	<b>1,037,876,042</b>	<b>994,338,154</b>	<b>1,090,894,527</b>	<b>96,556,373</b>	<b>9.7%</b>
<b>Operating Surplus/Deficit</b>	<b>(244,116,663)</b>	<b>(248,824,586)</b>	<b>(244,605,638)</b>	<b>4,218,948</b>	<b>-1.7%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	167,878,083	169,586,696	172,893,986	3,307,290	2.0%
Federal Sponsored Programs (Nonoperating)	1,250,000	1,250,000	1,250,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	8,449,830	10,796,569	12,200,673	1,404,104	13.0%
Net Investment Income	47,384,571	44,268,981	48,584,307	4,315,326	9.7%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>224,962,484</b>	<b>225,902,246</b>	<b>234,928,966</b>	<b>9,026,720</b>	<b>4.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(4,683,288)	(5,954,217)	(4,856,619)	1,097,598	-18.4%
<b>Total Transfers and Other</b>	<b>(4,683,288)</b>	<b>(5,954,217)</b>	<b>(4,856,619)</b>	<b>1,097,598</b>	<b>-18.4%</b>
<b>Budget Margin (Deficit)</b>	<b>(23,837,467)</b>	<b>(28,876,557)</b>	<b>(14,533,291)</b>	<b>14,343,266</b>	<b>-49.7%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	5,000,000	5,000,000	5,000,000	-	0.0%
Additions to Permanent Endowments	10,000,000	10,000,000	10,000,000	-	0.0%
Transfers for Debt Service - Principal	(1,424,000)	(1,424,000)	(1,050,000)	374,000	-26.3%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	10,000,000	10,000,000	10,000,000	-	0.0%
<b>SRECNP Change in Net Position</b>	<b>\$ (261,467)</b>	<b>(5,300,557)</b>	<b>9,416,709</b>	<b>14,717,266</b>	<b>-277.7%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 1,018,721,863</b>	<b>971,415,814</b>	<b>1,081,217,855</b>	<b>109,802,041</b>	<b>11.3%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,042,559,330)</b>	<b>(1,000,292,371)</b>	<b>(1,095,751,146)</b>	<b>(95,458,775)</b>	<b>9.5%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (23,837,467)</b>	<b>(28,876,557)</b>	<b>(14,533,291)</b>	<b>14,343,266</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		67,500,000	70,875,000		
Capital Outlay		(8,786,796)	(22,665,483)		
Trsfers for Debt Service-Principal/Lease Principal		(1,424,000)	(3,124,603)		
Budgeted Transfers		(830,287)	(2,013,222)		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>27,582,360</b>	<b>28,538,401</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Health Science Center at San Antonio**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 449,692,203	428,227,872	430,564,713	2,336,841	0.5%
Academic Support	46,365,921	44,032,262	50,333,091	6,300,829	14.3%
Research	151,751,533	155,866,144	165,005,062	9,138,918	5.9%
Public Service	46,719,451	45,501,671	50,616,934	5,115,263	11.2%
Hospitals and Clinics	175,973,642	150,039,963	208,739,607	58,699,644	39.1%
Institutional Support	54,490,371	42,614,105	52,526,761	9,912,656	23.3%
Student Services	2,130,483	2,505,287	2,306,490	(198,797)	-7.9%
Operations and Maintenance of Plant	36,386,887	44,100,960	45,187,620	1,086,660	2.5%
Scholarships and Fellowships	1,387,406	7,126,893	7,197,843	70,950	1.0%
Auxiliary Enterprises	5,759,953	6,822,997	7,541,406	718,409	10.5%
Depreciation and Amortization	67,218,192	67,500,000	70,875,000	3,375,000	5.0%
Total Operating Expenses	\$ 1,037,876,042	994,338,154	1,090,894,527	96,556,373	9.7%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 217,313,875	225,678,058	8,364,183	3.8%
Designated	545,172,819	627,153,205	81,980,386	15.0%
Auxiliary	7,060,488	7,769,350	708,862	10.0%
Available University Fund	-	-	-	-
Restricted	172,181,755	187,894,115	15,712,360	9.1%
Unexpended Plant	3,000,000	4,000,000	1,000,000	33.3%
Subtotal - Expenditures (All Funds)	944,728,937	1,052,494,728	107,765,791	11.4%
Reconciling Adjustments:				
Tuition Discounting	(1,725,770)	(1,828,496)	(102,726)	6.0%
Depreciation	67,500,000	70,875,000	3,375,000	5.0%
Capital Outlay	(8,786,796)	(22,665,483)	(13,878,687)	157.9%
Trsfers for Debt Service - Principal/Lease Principal	(1,424,000)	(3,124,603)	(1,700,603)	119.4%
Total Expenses (Including Transfers for Interest)	\$ 1,000,292,371	1,095,751,146	95,458,775	9.5%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**  
**M. D. ANDERSON**  
**CANCER CENTER**



**THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER**  
**OPERATING BUDGET HIGHLIGHTS**  
**FOR THE YEAR ENDING AUGUST 31, 2022**

**Introduction - Major Goals Addressed by FY 2022 Budget**

The University of Texas M. D. Anderson Cancer Center experienced an extraordinary year given the COVID-19 pandemic. The approach to navigating the pandemic has included an extensive focus on protecting the immunocompromised patients and employees and partnering to protect the community. U. T. M. D. Anderson Cancer Center's COVID-19 pandemic response included restricting access, limiting the number of employees onsite, and implementing evidence-based masking, testing, and infection control protocols. Taken together, these actions created what is believed to be the safest environment in the world for cancer patients during the pandemic with a 3.1% infection fatality rate in U. T. M. D. Anderson Cancer Center patients with SARS-CoV-2 infection as compared to a 21.1% infection fatality rate in a meta-analysis using mortality data from other cancer centers.

The proposed FY 2022 budget supports the recently adopted strategic plan and master facilities plan which are anchored around three strategic themes: **1) Reach** – make it easier for patients and communities to access the institution's expertise to ultimately prevent disease and improve health. This includes expanding the geographic footprint in Texas while protecting the brand and quality; developing an enhanced inbound international patient program; increasing access to services by expanding the virtual presence and capabilities; building strategic partnerships with other providers locally and nationally and NGOs and governments internationally and extending the powerful brand in the digital ecosystem. **2) Breakthroughs** – drive high-impact discovery research focused on unmet medical need and accelerate translation into meaningful improvements in health outcomes to become the No. 1 cancer research organization. This includes building a world class data science program; engaging the Texas population; accelerating and expanding clinical trials; fostering academic and industry research collaborations; enhancing research stewardship and developing innovative education and training programs. **3) Value** – set new standards for high-touch, high-value cancer care. This includes investing in programs and services that enables the institution to see more early stage cancer patients; establishing a targeted range for the performance in Vizient's national oncology rankings; enhancing the focus on operational excellence including inpatient throughput, weekend clinical operations and expanded hours; exploring new reimbursement models and diversifying the institution revenue streams.

The FY 2022 financial and operational macro assumptions include: ensuring that multiple sources of revenue exceed expenses. This will enable maintenance of a positive operating margin and operating cash flow margin which are vitally important to U. T. System bond ratings. Revenue assumptions focus on targeted service line growth, commercialization and technology transfer revenues, and revenues from the philanthropic campaign. Expense assumptions include disciplined control of labor expense, one-time expenses related to closure of the Smithville campus; enhanced investments in cybersecurity, and planned investments in strategic plan initiatives and capital projects included in the master facilities plan.

**Revenue**

FY 2022 operating revenue is projected to increase by \$453 million or 8.6 percent over levels budgeted for FY 2021. This increase is primarily driven by a \$317 million increase in revenue for the hospital and faculty practice plan based on targeted service line growth in six service lines and a 2.25 percent increase to hospital prices with no increases in professional fees within the practice plan. This is net of projected deduction rate increases due to payor mix trends. It includes an increase of \$121 million in sponsored program revenue driven by growth in federal, local, and private sponsored programs. FY 2022 budget includes a \$3 million increase in State Appropriations as well as \$49 million increase in gifts in support of operations and net investment income.

**Expenses**

FY 2022 operating expenses are expected to increase by \$333 million or 6.3 percent over levels budgeted for FY 2021. This increase is driven by a disciplined increase in labor costs (as a result of hiring in strategic areas) together with merit and equity pay plans at current market rates and aligned across groups with competitive incentives (\$88 million in FY 2022). The budget also includes a projected \$151 million increase in medical and drug supplies. Fiscal stewardship measures include limits on business travel (not to exceed 50 percent of FY 2019 travel costs) and an overall reduction of costs per full time employee through major operational efficiency opportunities. The institution anticipates that the future of work initiative with a major pivot to hybrid and remote work will result in major savings in real estate expenses and more efficient use of current space in the years ahead. This will primarily impact future expenses but there will be immediate impact in FY 2022 as a series of planned renovation projects will be cancelled due to large areas of office space being vacated.

**The University of Texas M. D. Anderson Cancer Center**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 1,783,959	1,929,388	1,929,388	-	0.0%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	-	0.0%
Federal Sponsored Programs	228,285,023	183,560,344	239,699,274	56,138,930	30.6%
State Sponsored Programs	44,424,258	44,687,648	45,721,776	1,034,128	2.3%
Local and Private Sponsored Programs	230,945,699	178,481,396	242,492,984	64,011,588	35.9%
Net Sales and Services of Educational Activities	1,807,011	2,300,000	2,000,000	(300,000)	-13.0%
Net Sales and Services of Hospital and Clinics	4,297,902,913	4,278,462,376	4,621,898,988	343,436,612	8.0%
Net Professional Fees	401,759,122	458,237,637	431,664,830	(26,572,807)	-5.8%
Net Auxiliary Enterprises	23,207,446	29,857,300	30,800,054	942,754	3.2%
Other Operating Revenues	127,390,836	110,241,793	124,768,086	14,526,293	13.2%
<b>Total Operating Revenues</b>	<b>5,357,496,267</b>	<b>5,287,747,882</b>	<b>5,740,965,380</b>	<b>453,217,498</b>	<b>8.6%</b>
<b>Operating Expenses:</b>					
Compensation - Faculty	826,625,979	836,804,235	870,436,849	33,632,614	4.0%
Compensation - Non-Faculty	1,538,604,729	1,523,781,618	1,624,739,898	100,958,280	6.6%
Wages	40,162,734	42,345,462	47,052,134	4,706,672	11.1%
Benefits	584,245,191	581,233,309	620,081,176	38,847,867	6.7%
Personnel Costs	2,989,638,633	2,984,164,624	3,162,310,057	178,145,433	6.0%
Utilities	46,881,499	48,361,051	50,109,181	1,748,130	3.6%
Scholarships and Fellowships	3,381,247	3,310,692	3,371,247	60,555	1.8%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	-	0.0%
Operations, Maintenance and Travel	2,306,781,227	2,737,921,515	2,821,884,088	83,962,573	3.1%
Less Capitalized Portion and Cap Lease Activity	(449,700,000)	(858,000,000)	(821,771,440)	36,228,560	-4.2%
Depreciation and Amortization	369,179,052	372,000,000	404,816,214	32,816,214	8.8%
<b>Total Operating Expenses</b>	<b>5,266,151,658</b>	<b>5,287,747,882</b>	<b>5,620,709,347</b>	<b>332,961,465</b>	<b>6.3%</b>
<b>Operating Surplus/Deficit</b>	<b>91,344,609</b>	<b>-</b>	<b>120,256,033</b>	<b>120,256,033</b>	<b>-</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations	107,482,669	206,983,195	210,201,805	3,218,610	1.6%
Federal Sponsored Programs (Nonoperating)	223,006,915	600,000	600,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	102,430,888	90,500,000	103,967,352	13,467,352	14.9%
Net Investment Income	316,405,439	269,579,877	305,000,000	35,420,123	13.1%
Other Non-Operating Revenue	258,000	-	-	-	-
Other Non-Operating (Expenses)	(52,288,418)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>697,295,493</b>	<b>567,663,072</b>	<b>619,769,157</b>	<b>52,106,085</b>	<b>9.2%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service-Interest/Lease Interest	(31,684,692)	(32,175,462)	(32,368,657)	(193,195)	0.6%
<b>Total Transfers and Other</b>	<b>(31,684,692)</b>	<b>(32,175,462)</b>	<b>(32,368,657)</b>	<b>(193,195)</b>	<b>0.6%</b>
<b>Budget Margin (Deficit)</b>	<b>756,955,410</b>	<b>535,487,610</b>	<b>707,656,533</b>	<b>172,168,923</b>	<b>32.2%</b>
<b>Reconciliation to Change in Net Position:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	209,290	500,000	200,000	(300,000)	-60.0%
Additions to Permanent Endowments	12,713,100	10,000,000	12,750,000	2,750,000	27.5%
Transfers for Debt Service - Principal	(92,587,762)	(81,234,000)	(116,136,000)	(34,902,000)	43.0%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	791,196,609	70,041,646	53,517,383	(16,524,263)	-23.6%
<b>SRECNP Change in Net Position</b>	<b>\$ 1,468,486,647</b>	<b>534,795,256</b>	<b>657,987,916</b>	<b>123,192,660</b>	<b>23.0%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 6,107,080,178</b>	<b>5,855,410,954</b>	<b>6,360,734,537</b>	<b>505,323,583</b>	<b>8.6%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(5,350,124,768)</b>	<b>(5,319,923,344)</b>	<b>(5,653,078,004)</b>	<b>(333,154,660)</b>	<b>6.3%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ 756,955,410</b>	<b>535,487,610</b>	<b>707,656,533</b>	<b>172,168,923</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		372,000,000	404,816,214		
Capital Outlay		(858,000,000)	(788,000,000)		
Trsfrs for Debt Service-Principal/Lease Principal		(81,234,000)	(147,670,031)		
Budgeted Transfers		-	-		
<b>Net Additions to (Uses of) Prior Year Balances</b>		<b>(31,746,390)</b>	<b>176,802,716</b>		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**The University of Texas M. D. Anderson Cancer Center**  
**Operating Budget - Operating Expenses by Function**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Projected	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
				Amount	Percent
<b>Operating Expenses:</b>					
Instruction	\$ 101,167,282	97,684,840	105,160,806	7,475,966	7.7%
Academic Support	201,379,794	192,115,651	208,428,087	16,312,436	8.5%
Research	865,746,525	845,221,497	880,194,088	34,972,591	4.1%
Public Service	25,707,743	23,539,213	25,964,820	2,425,607	10.3%
Hospitals and Clinics	3,280,067,826	3,316,537,607	3,564,843,812	248,306,205	7.5%
Institutional Support	172,191,252	179,050,408	171,662,392	(7,388,016)	-4.1%
Student Services	817,932	574,159	612,160	38,001	6.6%
Operations and Maintenance of Plant	232,697,041	236,731,812	236,763,681	31,869	0.0%
Scholarships and Fellowships	1,943,754	3,310,692	2,460,754	(849,938)	-25.7%
Auxiliary Enterprises	15,560,440	20,982,003	19,802,533	(1,179,470)	-5.6%
Depreciation and Amortization	368,872,069	372,000,000	404,816,214	32,816,214	8.8%
Total Operating Expenses	\$ 5,266,151,658	5,287,747,882	5,620,709,347	332,961,465	6.3%

**Operating Budget - Expenditures by Fund**  
**Fiscal Year Ending August 31, 2022**

	FY 2021 Adjusted Budget	FY 2022 Operating Budget	Budget Increases (Decreases) From 2021 to 2022	
			Amount	Percent
Educational and General	\$ 3,751,443,108	4,209,408,108	457,965,000	12.2%
Designated	780,360,276	659,893,310	(120,466,966)	-15.4%
Auxiliary	30,801,127	28,112,745	(2,688,382)	-8.7%
Available University Fund	-	-	-	-
Restricted	466,562,833	498,527,658	31,964,825	6.9%
Unexpended Plant	858,000,000	788,000,000	(70,000,000)	-8.2%
Subtotal - Expenditures (All Funds)	5,887,167,344	6,183,941,821	296,774,477	5.0%
Reconciling Adjustments:				
Tuition Discounting	(10,000)	(10,000)	-	0.0%
Depreciation	372,000,000	404,816,214	32,816,214	8.8%
Capital Outlay	(858,000,000)	(788,000,000)	70,000,000	-8.2%
Trsfers for Debt Service - Principal/Lease Principal	(81,234,000)	(147,670,031)	(66,436,031)	81.8%
Total Expenses (Including Transfers for Interest)	\$ 5,319,923,344	5,653,078,004	333,154,660	6.3%

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



## The University of Texas System

Fiscal Year 2022

### RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

#### Summary

	PUF Allocation				Total
	Library Books & Materials	Capital Equipment	Repair & Rehabilitation	Faculty STARs Program	
<b>Academic Institutions</b>					
The University of Texas at Arlington	\$ -	468,000	1,367,720	-	1,835,720
The University of Texas at Austin	-	2,300,000	-	-	2,300,000
The University of Texas at Dallas	-	800,000	1,100,000	-	1,900,000
The University of Texas at El Paso	-	-	1,770,000	-	1,770,000
The University of Texas Permian Basin	150,000	519,876	1,251,871	-	1,921,747
The University of Texas Rio Grande Valley	-	-	2,459,533	-	2,459,533
The University of Texas at San Antonio	-	-	2,000,000	-	2,000,000
The University of Texas at Tyler	-	500,000	1,263,000	-	1,763,000
Subtotal Academic Institutions	150,000	4,587,876	11,212,124	-	15,950,000
<b>Health Institutions</b>					
The University of Texas Southwestern Medical Center	-	-	2,300,000	-	2,300,000
The University of Texas Medical Branch at Galveston	1,200,000	-	1,200,000	-	2,400,000
The University of Texas Health Science Center at Houston	-	110,000	2,000,000	-	2,110,000
The University of Texas Health Science Center at San Antonio	700,000	1,000,000	649,332	-	2,349,332
The University of Texas M. D. Anderson Cancer Center	-	-	1,950,000	-	1,950,000
The University of Texas Health Science Center at Tyler	-	-	1,940,668	-	1,940,668
Subtotal Health Institutions	1,900,000	1,110,000	10,040,000	-	13,050,000
<b>The University of Texas System Administration</b>					
Academic Library Collection Enhancement Program	5,000,000	-	-	-	5,000,000
Dense Wave Division Multiplexing Equipment Refresh	-	1,000,000	-	-	1,000,000
Faculty STARs Program - Academic Institutions	-	-	-	17,500,000	17,500,000
Faculty STARs Program - Health Institutions	-	-	-	17,500,000	17,500,000
Subtotal System Administration	5,000,000	1,000,000	-	35,000,000	41,000,000
<b>Grand Total</b>	<b>\$ 7,050,000</b>	<b>6,697,876</b>	<b>21,252,124</b>	<b>35,000,000</b>	<b>70,000,000</b>

## The University of Texas System

Fiscal Year 2022

### RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials	Capital Equipment	Repair and/or Rehabilitation	Faculty STARs
		PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION
<b>ACADEMIC INSTITUTIONS</b>					
<b>The University of Texas at Arlington</b>					
Texas Hall - Orchestra Shell, Stage, Acoustical Improvements	1,440,000			1,200,000	
The College of Architecture, Planning, and Public Affairs Furniture for Design Studios	122,720			122,720	
Swift Center - Student Engagement Space	50,000			45,000	
Replacement of Backup Generator for Central Library	475,000		75,000		
Student Seating, Technology, Teaching, and Learning Space for Central Library	449,500		223,000		
Earth and Environmental Sciences Building - Room 244 Remodeling Project	49,000		44,000		
Department of Earth and Environmental Sciences Research and Educational Vehicle	35,000		30,000		
Library Security Gates	136,050		96,000		
<b>TOTAL</b>	<b>\$ 2,757,270</b>	<b>-</b>	<b>468,000</b>	<b>1,367,720</b>	<b>-</b>
<b>The University of Texas at Austin</b>					
Facilities Planning and Management Capital Equipment Beyond Useful Life Phase II	2,300,000		2,300,000		
<b>TOTAL</b>	<b>\$ 2,300,000</b>	<b>-</b>	<b>2,300,000</b>	<b>-</b>	<b>-</b>
<b>The University of Texas at Dallas</b>					
Academic Affairs Science and Engineering Laboratory Equipment	800,000		800,000		
Roofs and Building Envelope - Various Buildings	1,100,000			1,100,000	
<b>TOTAL</b>	<b>\$ 1,900,000</b>	<b>-</b>	<b>800,000</b>	<b>1,100,000</b>	<b>-</b>
<b>The University of Texas at El Paso</b>					
Research and Technology Infrastructure for New Faculty	1,000,000			1,000,000	
Fox Fine Arts Center - Domestic Water Line Pipe Replacements	420,000			420,000	
Satellite Plant Cooling Tower Phase I	350,000			350,000	
<b>TOTAL</b>	<b>\$ 1,770,000</b>	<b>-</b>	<b>-</b>	<b>1,770,000</b>	<b>-</b>
<b>The University of Texas Permian Basin</b>					
Elevator Replacement	400,000			400,000	
Completion of Large Science and Technology Lecture Shell	250,000			250,000	
Automatic External Defibrillator and CPR Training Equipment	109,000		109,000		
Library Books, Furnishing, and Equipment	150,000	150,000			
Music Department Pianos and Marimba	410,876		410,876		
Axon In-Car Video and Computer Replacement	335,000			335,000	
Replacing Equipment for Visual Arts Studio and Equipment for Student High Impact Practices	305,436			266,871	
<b>TOTAL</b>	<b>\$ 1,960,312</b>	<b>150,000</b>	<b>519,876</b>	<b>1,251,871</b>	<b>-</b>
<b>The University of Texas Rio Grande Valley</b>					
Deferred Maintenance Upgrades and Repairs	2,459,533			2,459,533	
<b>TOTAL</b>	<b>\$ 2,459,533</b>	<b>-</b>	<b>-</b>	<b>2,459,533</b>	<b>-</b>
<b>The University of Texas at San Antonio</b>					
Renovation of the One Stop Enrollment Center	2,000,000			2,000,000	
<b>TOTAL</b>	<b>\$ 2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>The University of Texas at Tyler</b>					
Muntz Library, Infrastructure, and Envelope Phase II	843,000			843,000	
Muntz Library, Furnishings and Renovations	420,000			420,000	
Campus Network Security Firewalls and Demilitarized Zone	500,000		500,000		
<b>TOTAL</b>	<b>\$ 1,763,000</b>	<b>-</b>	<b>500,000</b>	<b>1,263,000</b>	<b>-</b>
<b>SUBTOTAL - ACADEMIC INSTITUTIONS</b>		<b>150,000</b>	<b>4,587,876</b>	<b>11,212,124</b>	<b>-</b>

The University of Texas System

Fiscal Year 2022

RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR & REHABILITATION  
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs)

INSTITUTION/NAME OF PROJECT	TOTAL PROJECT COST	Library Books and/or Materials	Capital Equipment	Repair and/or Rehabilitation	Faculty STARs
		PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION
<b>HEALTH INSTITUTIONS</b>					
<b>The University of Texas Southwestern Medical Center</b>					
South Campus Anatomy Lab	5,713,330	-	-	2,300,000	-
TOTAL	\$ 5,713,330	-	-	2,300,000	-
<b>The University of Texas Medical Branch at Galveston</b>					
Perpetual Information and Educational Resources	3,114,000	1,200,000	-	-	-
Levin Hall Fire and Life Safety	1,700,000	-	-	1,200,000	-
TOTAL	\$ 4,814,000	1,200,000	-	1,200,000	-
<b>The University of Texas Health Science Center at Houston</b>					
Datacenter Uninterruptible Power Supply Replacements	110,000	-	110,000	-	-
Medical School Building Fire Alarm Device Replacement	1,500,000	-	-	1,500,000	-
School of Dentistry Library Student Space Rehabilitation	350,000	-	-	350,000	-
School of Nursing Fire Alarm Panel and Field Device Replacement	150,000	-	-	150,000	-
TOTAL	\$ 2,110,000	-	110,000	2,000,000	-
<b>The University of Texas Health Science Center at San Antonio</b>					
Perpetual Digital Journals and Databases	700,000	700,000	-	-	-
Technology Refresh and Expansion	1,250,000	-	1,000,000	-	-
Lab Animal Research Facility Renovation Phase III	3,600,000	-	-	649,332	-
TOTAL	\$ 5,550,000	700,000	1,000,000	649,332	-
<b>The University of Texas M. D. Anderson Cancer Center</b>					
Chilled Water Feed from Central Loop	400,000	-	-	200,000	-
South Campus Research Building 1 Environmental Room Upgrades	1,200,000	-	-	600,000	-
Data Center Modifications for Research High Performance Computing Cluster	1,000,000	-	-	500,000	-
Clinical Research Building Energy Savings Project	1,300,000	-	-	650,000	-
TOTAL	\$ 3,900,000	-	-	1,950,000	-
<b>The University of Texas Health Science Center at Tyler</b>					
North Tyler Resident Teaching Clinic Build-out	1,940,668	-	-	1,940,668	-
TOTAL	\$ 1,940,668	-	-	1,940,668	-
SUBTOTAL - HEALTH INSTITUTIONS		1,900,000	1,110,000	10,040,000	-
<b>SYSTEM ADMINISTRATION</b>					
<b>The University of Texas System Administration</b>					
Academic Library Collection Enhancement Program	5,000,000	5,000,000	-	-	-
Dense Wave Division Multiplexing Equipment Refresh	1,500,000	-	1,000,000	-	-
Faculty STARs Program - Academic Institutions	-	-	-	-	17,500,000
Faculty STARs Program - Health Institutions	-	-	-	-	17,500,000
TOTAL	\$ 6,500,000	5,000,000	1,000,000	-	35,000,000
SUBTOTAL - U. T. SYSTEM ADMINISTRATION		5,000,000	1,000,000	-	35,000,000
TOTAL - U. T. SYSTEM		7,050,000	6,697,876	21,252,124	35,000,000

## FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) PROGRAM

In August 2004, the U. T. System Board of Regents approved an allocation of funds to be awarded to institutions to help attract and retain the best-qualified faculty. Funded through Permanent University Fund (PUF) bond proceeds, this awards program, named Faculty STARS, provided funding to help purchase state-of-the-art research equipment and make necessary laboratory renovations to encourage faculty members to perform their research at U. T. institutions. In support of exceptional younger tenure-track faculty, the Rising STARS program was established in 2016. The Board has allocated STARS funds as follows.

<b>STARS Allocations</b>			
	<b>FY 2004 – FY 2020</b>	<b>FY 2021</b>	<b>Proposed FY 2022</b>
<b>Academic Institutions</b>	\$244,450,000	\$ 17,500,000	\$ 17,500,000
<b>Health Institutions</b>	\$196,550,000	\$ 17,500,000	\$ 17,500,000
<b>TOTAL</b>	<b>\$441,000,000</b>	<b>\$ 35,000,000</b>	<b>\$ 35,000,000</b>

With the exception of a portion of funding distributed non-competitively to academic institutions in fiscal year 2005, recipients of the STARS awards are selected through a competitive process. The program is centrally administered by U. T. System to provide start-up or retention packages for tenured faculty of proven quality that are recommended from the institutions by a faculty group at the nominating university. A peer review committee chaired by the appropriate Executive Vice Chancellor examines the STARS award nominees at the U. T. System Administration level and makes final recommendations. The funds are available only for laboratory renovation and equipment purchases. Consistent with other PUF bond funded programs, the STARS awards may not be spent on operations.

The program is making a significant contribution toward accomplishing the goal of developing and further strengthening the research capacity of the institutions within U. T. System. The competitive program has helped U. T. institutions recruit and retain some of the best researchers in the nation, recognized nationally and internationally for their scholarly achievements. Since the program's inception, these individuals have made a significant impact to U. T. System institutions through research grants, collaborations made with outside entities, and pending and issued patents as well as by encouraging future research and excellence.

# THE UNIVERSITY OF TEXAS SYSTEM

## OPERATING BUDGET RULES AND PROCEDURES

FOR FISCAL YEAR ENDING AUGUST 31, 2022

### A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B. Budget Amendments)
2. All appointments are subject to the provisions of the U. T. System Board of Regents' *Rules and Regulations* ("Regents' Rules") for the governance of The University of Texas System.
3. The established merit policy will be observed in determining salary rates.
4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31) unless otherwise specified. In the health-related institutions, all salary rates are twelve-month rates unless otherwise specified.
5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the president or Chancellor. All appointments of administrative and professional personnel are based on twelve-month rates.
6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution or the Chancellor.
7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

## B. BUDGET AMENDMENTS

1. Items requiring approval of the U. T. System Administration and subsequent approval by the U. T. System Board of Regents through the Consent Agenda
  - a. New appointments of tenured faculty (Regents' *Rule* 31007).
  - b. Award of tenure to any faculty member (Regents' *Rule* 31007).
  - c. New appointments as Regental Professor (Regents' *Rule* 31001). Titles set forth in Regents' *Rule* 20301 including Chancellor Emeritus, President Emeritus and similar honorary designations are conferred by the U. T. System Board of Regents.
  - d. Appointments, promotions, and salary increases involving the president (Regents' *Rules* 20201, 20202, 20203).
  - e. New contracts or contract changes involving athletic directors or head coaches whose total annual compensation, or total contractual compensation, equals or exceeds the amounts specified by Regents' *Rule* 10501 Section 2.2.12.
  - f. Compensation changes for Key Executives as defined by Regents' *Rule* 20203.
  - g. Compensation for personnel whose total annual compensation for the first time is, or may exceed, \$1,000,000 during the year (Highly Compensated Personnel) and who are not subject to B.1.e or B.2.f (Regents' *Rule* 20204).
  - h. Compensation changes for Highly Compensated Personnel greater than five percent (Regents' *Rule* 20204).
  - i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
  - j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.
  - b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.



- c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
  - d. Compensation changes for Highly Compensated Personnel whose change in total annual compensation is five percent or less and whose initial compensation was previously approved by the U. T. System Board of Regents (Regents' Rule 20204).
  - e. Appointments and promotions involving administrative and professional personnel reporting directly to the president.
3. Items requiring approval of the president only (Chancellor for U. T. System Administration)
- a. All interdepartmental transfers.
  - b. All budget transfers between line-item appropriations within a department.
  - c. Increases in budgeted amounts from income or unappropriated balances for Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
  - d. Reallocation of unallocated Faculty Salaries. All unfilled and uncommitted line-item faculty salary positions will lapse to the institutional "Unallocated Faculty Salaries" account.
  - e. Reappropriation of Prior Year Educational and General Fund Balances, subject to the thresholds established in B.5 below.
  - f. Promotions involving tenured faculty.
  - g. New honorary title appointments as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations (Regents' Rule 31001).
  - h. Transactions involving all other personnel except those specified in B.1.a, B.1b, B.1c, B.1d, B.1e, B.1f, B.1g, B.1h, B.2d, and B.2e as defined above.
  - i. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."
  - j. Summer Session Budgets.
  - k. Clinical faculty appointments or changes, including medical or hospital staff, without salary provided the clinical faculty member is not considered to be Highly Compensated Personnel.

4. Effective date of appointments and compensation increases

- a. Any increase in approved compensation for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.
- b. A compensation increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective to the time of the first performance of duties under the new appointment.
- c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.
- d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although increased compensation for the same classification or position is involved.

5. Budget amendment criteria

- a. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, of \$1 billion or more will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$5,000,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$2,000,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$2,000,000 and less than \$5,000,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c and B.3e – Less than \$2,000,000 (approval by president)
- b. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, between \$250 million and \$1 billion will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$2,500,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$1,000,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$1,000,000 and less than \$2,500,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c and B.3e – Less than \$1,000,000 (approval by president)

- c. Institutions other than U. T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than \$250 million will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$1,000,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a – Equal to or greater than \$250,000 (reappropriation of E&G balances approval by U. T. System Administration)
  - iii. For B.2b and B.2c – Equal to or greater than \$250,000 and less than \$1,000,000 (budget increase approval by U. T. System Administration)
  - iv. For B.3c and B.3e – Less than \$250,000 (approval by president)
  
- d. U. T. System Administration will have a threshold of:
  - i. For B.1i and B.1j – Equal to or greater than \$1,000,000 (budget increase approval on Consent Agenda)
  - ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
  - iii. For B.2b, B.2c, and B.3c – All amounts less than \$1,000,000 may be approved by the Chancellor (budget increase approval)
  - iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U. T. System revolving insurance funds without limitation.
  
- e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

## C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3e.
2. Compensation indicated as "MSRDP Funds," "DSRDP Funds," "PRS Funds," "FSRDP Funds," "Allied Health Faculty Services Plan" or "Nursing Clinical Enterprise Health Services, Research and Development Plan" is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan.
3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.
4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.
5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204 or total compensation under a multiyear contract.
6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

# THE UNIVERSITY OF TEXAS SYSTEM

## FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2022

### FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

The general workload policy for faculty employed at U. T. System academic institutions is set forth in Regents' *Rule* 31006. Through established shared governance processes, each academic institution has been authorized by the U. T. System Board of Regents to establish a faculty workload policy that adheres to the provisions and reporting requirements of *Rule* 31006. As required by *Texas Education Code Section* 51.402 and *Rule* 31006, each academic institution has included their faculty workload policy in this operating budget.

# THE UNIVERSITY OF TEXAS SYSTEM

## MEDICAL, DENTAL, NURSING, FACULTY SERVICES RESEARCH AND DEVELOPMENT PLANS, ALLIED HEALTH FACULTY SERVICES PLAN AND PHYSICIANS REFERRAL SERVICE

For Fiscal Year Ending August 31, 2022

### RULES AND PROCEDURES

1. These Rules and Procedures are to be used for the Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan and Physicians Referral Service (“the Plans”) Budgets in conjunction with the Rules and Procedures for the General Operating Budget.
2. Budgeted expenditures authorized from the Plans are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.
3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U.S. Government as approved by the U. T. System Board of Regents shall be deposited in the appropriate institution’s institutional Trust Fund Account.
4. Administration, operation, and disbursement of funds shall be in accordance with each institutional plan approved by U. T. System Administration and the U. T. System Board of Regents.
5. At U. T. M. D. Anderson Cancer Center, associate members’ earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member’s specialty by the chief of the major service. All payments will be approved by the Executive Council of the Physicians Referral Service.
6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U. T. System Board of Regents and the U. T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

# THE UNIVERSITY OF TEXAS SYSTEM

## PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2022

### A. INITIAL BUDGET

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
2. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U. T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the Constitution of the State of Texas and the U. T. System Board of Regents' Rules and Regulations for the governance of The University of Texas System.

### B. BUDGET AMENDMENTS

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARS (including Faculty and Rising STARS), or similar funded programs.
  - a. Substitute Library or Equipment purchases in excess of \$1 million that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects in excess of \$1 million that are not on the approved list.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Substitute Library or Equipment purchases of \$1 million or less that are not on the approved list.
  - b. Substitute Repair and Rehabilitation projects of \$1 million or less that are not on the approved list.

- c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.
- d. Transfer of STARs funding between the Faculty STARs program and the Rising STARs program.

## C. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award or the appropriation will lapse and be made available for future Systemwide reallocation.
2. All STARs or similar program appropriations must be expended within 36 months from the time the faculty member arrives on campus or the appropriation will lapse and be made available for future Systemwide reallocation.
3. Notwithstanding the limitations adopted at the time LERR, STARs, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARs and similar funding.
4. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARs funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Major Projects are defined by Regents' Rule 80301.



# THE UNIVERSITY OF TEXAS SYSTEM

## PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES

For Fiscal Year Ending August 31, 2022

### A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILAR FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U. T. System Board of Regents to issue bonds and notes secured by the U. T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, with or without permanent improvements;
- constructing and equipping buildings or other permanent improvements;
- major repair and rehabilitation of buildings and other permanent improvements;
- acquiring capital equipment; and
- acquiring library books and library materials.

It is for the last three purposes noted above that the U. T. System Board of Regents has established the LERR, STARS (including Faculty and Rising STARS), and similar funded programs.

### B. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARS and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three (3) years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS 181 Policy for Post Bond Issuance Federal Tax Compliance*, U. T. institutions shall maintain invoice documentation for 35 years for any capital expenditures funded with tax-exempt proceeds.

### C. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARS, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the *Constitution*.

## D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARS, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARS, or similar funded program eligibility should be directed to the U. T. System Administration Office of Budget and Planning.

### ***Repair and Rehabilitation of Buildings or Other Permanent Improvements***

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

### ***Acquisition of Capital Equipment***

Capital equipment is generally regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software, that will be used Systemwide, or between and among U. T. institutions and System Administration, is eligible for LERR, STARS, or similar program funds.

### **Warranties and Similar Service Features**

The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARS, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a Laptop purchase is not allowed.

### **Software**

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARS, or similar funded programs if they are incurred in the Application Development Stage. This principle applies whether the salaries are paid to employees of the institution or to outside parties. See *UTS 142.13 Accounting and Financial Reporting for Intangible Assets* at <https://www.utsystem.edu/sites/policy-library/policies/uts-14213-accounting-and-financial-reporting-intangible-assets>. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARS, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARS, or similar program funds as these are considered operating expense.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARS, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARS, or similar program funds.

### **Employee Training and Travel Costs**

Employee training and travel costs are not eligible for LERR or STARS program funds as these are considered operating expenses.

### **Operating Expenses**

Consumables, which generally include those items that have an expected useful life of less than one year, are not eligible for LERR or STARS program funds as these are considered operating expenses. Some examples include, but are not limited to: chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARS program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

### ***Acquisition of Library Books and Library Materials***

The acquisition of library books and library materials is eligible for LERR. A library book is generally defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information essential to the learning process or enhance the quality of university library programs. A purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction and other like costs required to put these assets in place, except for library salaries.

### ***Prohibition for Student Housing, Athletics, and Auxiliary Enterprises***

Article VII, Section 18 (d) of the *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARS, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

## **E. SPECIAL PROGRAM FUNDING**

Allocations of STARS funding by the Board of Regents are for the Faculty STARS program. With appropriate approvals those funds can be redirected to the Rising STARS program.

### **Faculty STARS Program**

The Faculty STARS program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARS program is funded in the same manner as LERR, the same guidelines apply and each item must have a useful life of more than one year. Faculty STARS funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARS funds.

There are three related program goals that form the basis of the Faculty STARS program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

### **Rising STARS Program**

The Rising STARS program makes up to \$300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e. assistant, associate or full professor. Rising STARS funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARS.