

THE UNIVERSITY OF TEXAS SYSTEM

OPERATING BUDGET SUMMARIES

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

FISCAL YEAR 2023



AUGUST 2022

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, 2023

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THE UNIVERSITY OF TEXAS SYSTEM

Operating Budget Highlights

For the Year Ending August 31, 2023

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 almost 243,000 students. Each year, U. T. System institutions award more than 67,000 degrees including more than one-third of all undergraduate degrees in Texas and more than half of the State’s medical degrees. Sixty percent of undergraduates who received need-based financial aid double their parents’ income within five years of earning a UT degree. The U. T. System is one of the largest employers in the state with more than 22,000 faculty – including Nobel laureates and members of the National Academies – and more than 93,000 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 and its medical school in 2015 and the recent combination of U. T. Tyler and U. T. Health Science Center - Tyler. In February 2022, the Board of Regents approved the creation of a \$300 million endowment to fund the “Promise Plus” program at seven U. T. institution. The program will help thousands of undergraduate students earn a degree from a U. T. institution at no cost to them.

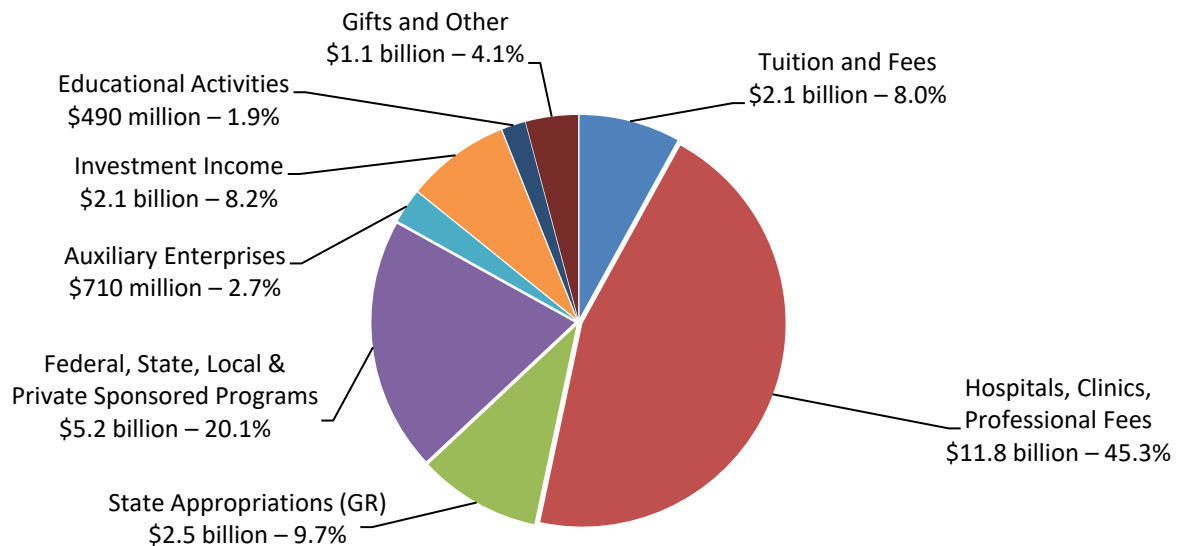
Creating a healthier Texas is a fundamental mission of U. T. institutions, which award more than 15,000 health-related degrees annually. The U. T. System is poised to open its seventh medical school in Tyler in 2023. U. T.-owned and affiliated hospitals and clinics – supported by thousands of doctors, physician assistants, nurses, and other health care providers – accounted for more than 10.6 million outpatient visits and over 2 million hospital days in 2021.

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 \$3.5 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 2023, 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. Other key revenue drivers such as tuition and state funding have largely remained flat. While institutions benefited from significant federal support provided in response to the COVID-19 pandemic during FY 2022, those funds have largely been exhausted reflecting significant declines in federal sponsored program revenue.

REVENUE

\$26.1 BILLION



The budget includes both operating and nonoperating revenue used to support the System’s activities. Combined revenue for FY 2023 is \$26.1 billion, up 7.7 percent or \$1.9 billion from FY 2022. The most significant areas of growth relate to health care activities and include **Net Sales and Services of Hospitals and Clinics** (11.6 percent, \$960 million), **Net Professional Fees** (12.9 percent, \$292 million) and **Net Investment Income** (15.0 percent, \$278 million). Budgeted **State Appropriations** (0.1 percent, \$2 million) are essentially flat as compared to FY 2022. Due to expected growth in other revenue streams, general revenue for FY 2023 will comprise 10.0 percent of the total expense budget, a decline from the FY 2022 level of 10.8 percent. A significant offset to the growth in other revenue streams was the reduction in **Federal Sponsored Programs - Nonoperating** (<38.0> percent decline, \$<299> million) principally reflecting the winding down of federal COVID-19 relief funding.

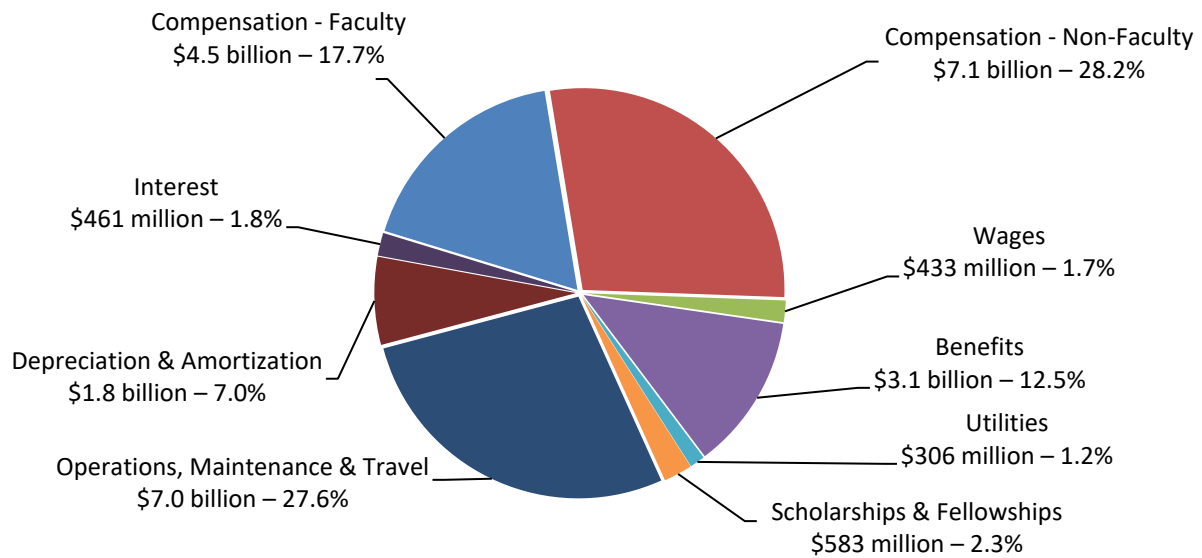
All institutions with hospitals are anticipating growth in **Net Sales and Services of Hospitals and Clinics**, most significantly at U. T. Southwestern Medical Center (\$188 million), U. T. Medical Branch–Galveston (\$154 million) and at U. T. M. D. Anderson Cancer Center (\$554 million). These institutions are anticipating patient volume increases and in some cases price increases based on the latest market and CPI data. Also of note is a \$49 million increase (58.5 percent) at U. T. Health Science Center-Houston related to the first full year of revenue for the Dunn Behavioral Sciences Center, which opened in March 2022.

The budgeted increase in **Net Professional Fees** principally results from growth in the health-related institutions medical practice plans, including practice expansions through added physicians, patient volume increases and revenue cycle enhancements. The most significant increases are occurring at U. T. Southwestern Medical Center (\$118 million), U. T. Health Science Center - Houston (\$36 million). U. T. Health Science Center - San Antonio (\$79 million) and U. T. M. D. Anderson Cancer Center (\$34 million) again anticipates a full recovery from the temporary decline related to the Electronic Health Record system implementation. U. T. Health Science Center - San Antonio attributes additional revenue to a transition to the new Texas Incentives for Physician and Professional Services (TIPPS) program along with volume growth.

Growth in the distribution from the Permanent University Fund available to the U. T. System, which is budgeted as **Net Investment Income**, along with related Available University Fund and other interest at U. T. System Administration (\$77 million) is a leading factor in the additional **Net Investment Income** anticipated for FY 2023. Most other institutions project budget increases from growth in Long Term Fund distribution rates and investment holdings and due to rising deposit interest rates. The most significant increases are projected at U. T. Austin (\$40 million), U. T. Southwestern Medical Center (\$38 million) and U. T. M. D. Anderson Cancer Center (\$65 million).

Federal Sponsored Programs - Nonoperating at all institutions is largely comprised of Pell grants and other federal financial aid for students along with Higher Education Emergency Relief Fund (HEERF) support resulting from the COVID-19 pandemic. There were almost universal declines in funding due to the exhaustion of the HEERF funds. The largest decreases occur at U. T. Austin (<120> million), U. T. Dallas (<52> million), U. T. Rio Grande Valley (<62> million) and U. T. San Antonio (<54> million). Bucking the trend was U. T. Health Science Center at Houston (\$16 million) which budgeted a portion of the new federal funds appropriation received in SB 8, 87th Legislature, Third Called Session, for the Texas Epidemic Public Health Institute.

EXPENSES BY NATURAL CLASSIFICATION **\$25.2 BILLION**



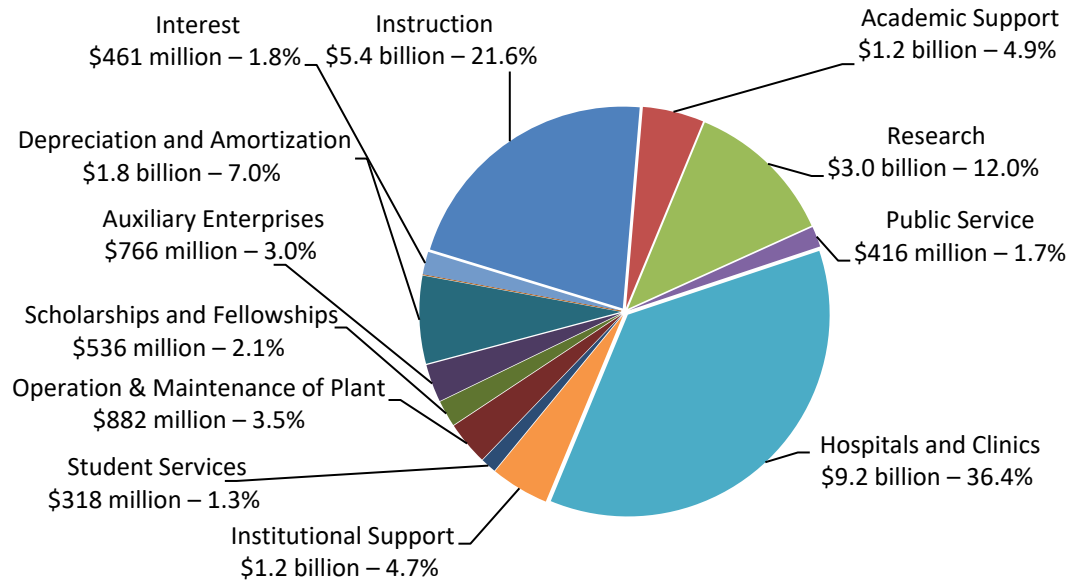
Expenses reflected in the budget include all operational activities, limited nonoperating expenses, and transfers to U. T. System Administration made to fund debt service interest. Depreciation and amortization expenses are also included in the budget. Conversely, capital outlay, capitalized lease payments, subscription-based information technology arrangement (SBITA) payments and transfers for debt service principal payments are excluded. Combined expenses for FY 2023 are \$25.2 billion, up 7.4 percent or \$1.7 billion from FY 2022.

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 \$1.3 billion (9.6 percent) over FY 2022. For the U. T. System, these costs represent 60.0 percent of Total Expenses and 76.0 percent of the overall expense increase. Given the dynamic labor market and inflationary pressures, institutions have generally included plans for merit salary increases and market/equity adjustments 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. Austin (\$140 million), U. T. Southwestern Medical Center (\$324 million), U. T. Medical Branch - Galveston (\$199 million), U. T. Health Science Center - Houston (\$170 million), and U. T. M. D. Anderson Cancer Center (\$292 million).

Among the non-personnel costs, the most significant change is to **Operations, Maintenance and Travel** (\$662 million or 8.5 percent before adjustment for the capitalized portion). U. T. Southwestern Medical Center (\$122 million), and U. T. M. D. Anderson Cancer Center (\$544 million) have the most significant increases result from a combination of patient care volume growth and/or increased planned capital expenditures. U. T. M. D. Anderson specifically identifies an expected increase in medical and drug supplies of \$229 million. Other health institutions experience similar increases but on a smaller scale. Most of the academic institutions anticipate decreases largely resulting from the exhaustion of federal HEERF funds with the largest decline occurring at U. T. Austin (<103> million). **Scholarships and Fellowships** (before adjustment for tuition discounts and allowances) are anticipated to decline (<101> million or <6.7> percent) spread across the academic institutions which have reduced federal HEERF funds for student aid.

EXPENSES BY FUNCTIONAL CLASSIFICATION

\$25.2 BILLION



The most significant functional areas of growth include **Hospitals and Clinics** (12.0 percent, \$980 million), **Instruction** (10.1 percent, \$500 million), and **Research** (5.1 percent, \$146 million), offset by a decline in **Scholarships and Fellowships** (<14.0> percent, \$<87> million).

The most significant changes in **Hospitals and Clinics** are at U. T. Southwestern Medical Center (\$134 million), U. T. Medical Branch - Galveston (\$99 million) and U. T. M. D. Anderson Cancer Center (\$596 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 and market salary increases and 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 (\$44 million), U. T. Southwestern Medical Center (\$252 million), U. T. Medical Branch - Galveston (\$65 million) and U. T. Health Science Center - Houston (\$97 million).

The most significant changes in anticipated **Research** expenses will occur at U. T. Southwestern Medical Center (\$49 million) and U. T. M. D. Anderson Cancer Center (\$72 million). Growth is commensurate with changes in sponsored program revenue streams.

Scholarships and Fellowships budgeted for FY 2023 reflects a projected decline due to the loss of federal HEERF funding supporting them.

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 and the internal monthly 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.
- 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. Beginning in FY 2023, a similar adjustment is made for SBITA.

The information presented in this summary document nets budgeted revenues and expenses to arrive at a “Budget Margin (Deficit)” that is comparable to the operating margin in the internal monthly financial report. 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.

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. In addition, certain transfers to institutions from U. T. System Administration such as the Promise Plus funding have been included as budgeted revenue to adjust margin presentation and in contradiction to the way the funds are presented in the institutions’ SRECNP.

BACKGROUND (CONTINUED)

PRESENTATION OF FY 2022 PROJECTED ACTUAL TOTALS

All U. T. institutions have prepared a projection of FY 2022 activity in a format comparable to that presented for the FY 2022 adjusted and FY 2023 proposed budgets. This projection was based on activity through May 2022.

RESTATEMENT AND RECLASSIFICATION OF FY 2022 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 2022 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 \$41.6 million increase in revenue and \$42.7 million increase in expenses. FY 2022 budgets presented herein have been restated for those changes. A summary of the changes made for affected institutions follows:

Institution	Increase (Decrease) in Revenue	Increase (Decrease) in Expenses
U. T. Tyler	\$ 435,795	\$ 473,302
U. T. Medical Branch – Galveston	(317,468)	(317,468)
U. T. Health Science Center – Houston	43,180,074	43,161,465
U. T. Health Science Center – San Antonio	(684,089)	(665,202)
U. T. System Administration	(975,000)	2
Total	\$41,639,312	\$42,652,099

In certain situations, reclassifications have been made between FY 2022 line items by the institutions to enhance comparability with the FY 2023 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), Texas Incentives for Physician and Professional Services (TIPPS) and Comprehensive Hospital Increase Reimbursement Program (CHIRP) programs. Although ending, DSRIP is a program from which are payments made to providers who agree to participate in Medicaid health care quality and delivery system reforms. TIPPS is a directed payment program for certain physician practice groups providing health care services to children and adults enrolled in the State of Texas’ STAR, STAR+PLUS and STAR Kids Medicaid managed care programs. CHIRP is a statewide program that provides for increased Medicaid payments to hospitals for inpatient and outpatient services provided to persons with Medicaid.

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.

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. 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/APPROPRIATION 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. This line item also includes appropriation transfers received by institutions such as state Hazlewood and Texas Child Mental Health Care Consortium support. AUF and Appropriation Transfers Received are included in budgeted “revenue” 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/SBITA 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 and SBITA 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 all 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

**The University of Texas System
Operating Budget
Fiscal Year Ending August 31, 2023**

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 2,878,955,681	2,840,991,198	2,912,087,397	71,096,199	2.5%
Less Discounts and Allowances	(764,350,223)	(845,865,580)	(821,291,250)	24,574,330	-2.9%
Federal Sponsored Programs	1,962,029,583	1,807,643,306	1,997,688,483	190,045,177	10.5%
State Sponsored Programs	424,840,281	416,323,442	433,480,763	17,157,321	4.1%
Local and Private Sponsored Programs	2,177,175,678	2,126,322,092	2,269,629,248	143,307,156	6.7%
Net Sales and Services of Educational Activities	551,535,815	480,005,957	490,166,001	10,160,044	2.1%
Net Sales and Services of Hospital and Clinics	8,645,923,001	8,311,755,099	9,272,006,507	960,251,408	11.6%
Net Professional Fees	2,371,735,647	2,270,540,141	2,562,585,887	292,045,746	12.9%
Net Auxiliary Enterprises	621,108,045	619,244,322	710,280,140	91,035,818	14.7%
Other Operating Revenues	615,560,077	552,458,471	547,369,553	(5,088,918)	-0.9%
Total Operating Revenues	19,484,513,585	18,579,418,448	20,374,002,729	1,794,584,281	9.7%
Operating Expenses:					
Compensation - Faculty	4,207,246,865	4,103,938,256	4,454,897,388	350,959,132	8.6%
Compensation - Non-Faculty	6,759,955,047	6,423,439,178	7,103,211,331	679,772,153	10.6%
Wages	425,408,511	405,525,748	432,944,629	27,418,881	6.8%
Benefits	2,448,960,699	2,869,560,886	3,135,976,152	266,415,266	9.3%
Personnel Costs	13,841,571,122	13,802,464,068	15,127,029,500	1,324,565,432	9.6%
Utilities	302,187,311	282,589,808	305,798,954	23,209,146	8.2%
Scholarships and Fellowships	1,545,468,970	1,505,385,659	1,404,357,445	(101,028,214)	-6.7%
Less Discounts and Allowances	(763,854,459)	(845,865,580)	(821,291,250)	24,574,330	-2.9%
Operations, Maintenance and Travel	9,343,311,606	7,829,855,622	8,491,878,453	662,022,831	8.5%
Less Capitalized Portion and Cap Lease/SBITA	(741,755,991)	(1,292,900,812)	(1,535,516,757)	(242,615,945)	18.8%
Depreciation and Amortization	1,730,178,483	1,778,824,301	1,774,292,631	(4,531,670)	-0.3%
Total Operating Expenses	25,257,107,042	23,060,353,066	24,746,548,976	1,686,195,910	7.3%
Operating Surplus/Deficit	(5,772,593,457)	(4,480,934,618)	(4,372,546,247)	108,388,371	-2.4%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	2,532,333,525	2,528,285,089	2,530,195,112	1,910,023	0.1%
Federal Sponsored Programs (Nonoperating)	813,355,472	786,438,672	487,267,146	(299,171,526)	-38.0%
State/Local Sponsored Programs (Nonoperating)	38,390,929	37,190,929	47,861,543	10,670,614	28.7%
Gifts in Support of Operations	602,419,254	430,150,385	481,294,337	51,143,952	11.9%
Net Investment Income	2,104,215,589	1,855,514,677	2,133,912,493	278,397,816	15.0%
Other Non-Operating Revenue	4,509,778	129,166	118,128	(11,038)	-8.5%
Other Non-Operating (Expenses)	(2,990,023)	(212,500)	(100,000)	112,500	-52.9%
Net Non-Operating Revenue/(Expenses)	6,092,234,524	5,637,496,418	5,680,548,759	43,052,341	0.8%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	577,913,426	562,322,479	654,472,787	92,150,308	16.4%
AUF Transfers (Made) for Operations	(554,840,511)	(534,240,511)	(599,284,318)	(65,043,807)	12.2%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(397,893,566)	(403,874,540)	(461,364,422)	(57,489,882)	14.2%
Total Transfers and Other	(374,820,651)	(375,792,572)	(406,175,953)	(30,383,381)	8.1%
Budget Margin (Deficit)	(55,179,584)	780,769,228	901,826,559	121,057,331	15.5%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	6,229,623	3,025,383	2,023,025	(1,002,358)	-33.1%
Net Inc./(Dec.) in Fair Value of Investments	(5,928,903,398)	-	-	-	-
Interest Expense on Capital Asset Financings	(309,103,665)	(403,894,540)	(450,083,195)	(46,188,655)	11.4%
Capital Approp., Gifts and Sponsored Programs	167,913,679	107,012,726	161,495,571	54,482,845	50.9%
Additions to Permanent Endowments	220,989,012	157,764,992	202,217,333	44,452,341	28.2%
Transfers for Debt Service - Principal	(612,231,094)	(666,837,694)	(678,723,708)	(11,886,014)	1.8%
Reverse Transfers for Debt Service (System Only)	1,010,124,660	1,070,712,234	1,127,106,903	56,394,669	5.3%
Transfers and Other	2,353,579,129	(57,312,600)	(23,197,337)	34,115,263	-59.5%
SRECNP Change in Net Position	\$(3,146,581,638)	991,239,729	1,242,665,151	251,425,422	25.4%
Total Revenues and AUF/Approp Transfers	\$ 25,602,811,047	24,245,209,334	26,109,839,957	1,864,630,623	7.7%
Total Expenses (Including Transfers for Interest)	(25,657,990,631)	(23,464,440,106)	(25,208,013,398)	(1,743,573,292)	7.4%
Budget Margin (Deficit)	\$(55,179,584)	780,769,228	901,826,559	121,057,331	
Reconciliation to Use of Prior Year Balances					
Depreciation		1,778,824,301	1,774,292,631		
Capital Outlay		(1,166,123,524)	(1,396,347,469)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(771,187,268)	(804,911,769)		
Budgeted Transfers		(38,202,131)	(45,006,988)		
Net Additions to (Uses of) Prior Year Balances		584,080,606	429,852,964		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 5,039,667,835	4,948,804,752	5,449,129,220	500,324,468	10.1%
Academic Support	1,163,217,914	1,162,248,979	1,234,193,197	71,944,218	6.2%
Research	3,032,144,160	2,877,372,409	3,023,228,613	145,856,204	5.1%
Public Service	361,763,430	388,858,143	416,298,895	27,440,752	7.1%
Hospitals and Clinics	8,453,889,092	8,186,895,064	9,167,325,343	980,430,279	12.0%
Institutional Support	2,934,103,957	1,176,288,506	1,180,619,941	4,331,435	0.4%
Student Services	316,252,583	293,967,057	317,603,999	23,636,942	8.0%
Operations and Maintenance of Plant	946,145,916	890,473,339	882,170,438	(8,302,901)	-0.9%
Scholarships and Fellowships	631,727,258	623,274,649	536,000,031	(87,274,618)	-14.0%
Auxiliary Enterprises	686,225,619	733,345,867	765,686,668	32,340,801	4.4%
Depreciation and Amortization	1,691,969,278	1,778,824,301	1,774,292,631	(4,531,670)	-0.3%
Total Operating Expenses	\$ 25,257,107,042	23,060,353,066	24,746,548,976	1,686,195,910	7.3%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 8,383,356,212	9,122,880,576	739,524,364	8.8%
Designated	9,907,841,419	10,874,208,218	966,366,799	9.8%
Auxiliary	804,569,209	890,124,222	85,555,013	10.6%
Available University Fund	730,665,501	760,909,095	30,243,594	4.1%
Restricted	3,679,564,799	3,663,462,587	(16,102,212)	-0.4%
Unexpended Plant	962,795,037	1,144,686,557	181,891,520	18.9%
Subtotal - Expenditures (All Funds)	24,468,792,177	26,456,271,255	1,987,479,078	8.1%
Reconciling Adjustments:				
Tuition Discounting	(845,865,580)	(821,291,250)	24,574,330	-2.9%
Depreciation	1,778,824,301	1,774,292,631	(4,531,670)	-0.3%
Capital Outlay	(1,166,123,524)	(1,396,347,469)	(230,223,945)	19.7%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(771,187,268)	(804,911,769)	(33,724,501)	4.4%
Total Expenses (Including Transfers for Interest)	\$ 23,464,440,106	25,208,013,398	1,743,573,292	7.4%

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 2,655,670,542	2,620,890,859	2,683,994,479	63,103,620	2.4%
Less Discounts and Allowances	(751,164,671)	(836,452,127)	(808,442,684)	28,009,443	-3.3%
Federal Sponsored Programs	844,822,460	789,032,977	823,152,215	34,119,238	4.3%
State Sponsored Programs	252,162,914	233,716,614	250,342,469	16,625,855	7.1%
Local and Private Sponsored Programs	304,427,463	305,396,700	309,251,767	3,855,067	1.3%
Net Sales and Services of Educational Activities	414,376,008	391,660,888	398,359,171	6,698,283	1.7%
Net Sales and Services of Hospital and Clinics	1,600,000	1,600,000	1,600,000	-	0.0%
Net Professional Fees	32,299,063	30,870,496	37,463,630	6,593,134	21.4%
Net Auxiliary Enterprises	516,568,476	512,752,495	588,116,196	75,363,701	14.7%
Other Operating Revenues	62,572,930	48,131,751	45,365,399	(2,766,352)	-5.7%
Total Operating Revenues	4,333,335,185	4,097,600,653	4,329,202,642	231,601,989	5.7%
Operating Expenses:					
Compensation - Faculty	1,226,376,979	1,202,434,037	1,246,254,042	43,820,005	3.6%
Compensation - Non-Faculty	1,792,634,948	1,705,536,608	1,830,133,976	124,597,368	7.3%
Wages	199,802,908	188,486,752	195,135,505	6,648,753	3.5%
Benefits	860,972,308	882,950,272	943,834,199	60,883,927	6.9%
Personnel Costs	4,079,787,143	3,979,407,669	4,215,357,722	235,950,053	5.9%
Utilities	152,711,010	138,599,795	147,434,682	8,834,887	6.4%
Scholarships and Fellowships	1,489,217,661	1,461,603,001	1,346,818,919	(114,784,082)	-7.9%
Less Discounts and Allowances	(750,668,907)	(836,452,127)	(808,442,684)	28,009,443	-3.3%
Operations, Maintenance and Travel	1,615,066,787	2,019,005,835	1,906,291,046	(112,714,789)	-5.6%
Less Capitalized Portion and Cap Lease/SBITA	(217,201,285)	(214,616,726)	(268,687,004)	(54,070,278)	25.2%
Depreciation and Amortization	720,698,402	723,975,776	733,213,332	9,237,556	1.3%
Total Operating Expenses	7,089,610,811	7,271,523,223	7,271,986,013	462,790	0.0%
Operating Surplus/Deficit	(2,756,275,626)	(3,173,922,570)	(2,942,783,371)	231,139,199	-7.3%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	1,116,732,263	1,113,186,627	1,109,363,060	(3,823,567)	-0.3%
Federal Sponsored Programs (Nonoperating)	730,620,587	777,765,548	462,442,821	(315,322,727)	-40.5%
State/Local Sponsored Programs (Nonoperating)	37,340,929	37,190,929	47,861,543	10,670,614	28.7%
Gifts in Support of Operations	335,344,604	217,990,013	235,265,906	17,275,893	7.9%
Net Investment Income	486,841,509	394,325,350	467,239,803	72,914,453	18.5%
Other Non-Operating Revenue	3,860,000	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	2,710,739,892	2,540,458,467	2,322,173,133	(218,285,334)	-8.6%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	482,030,777	464,220,326	509,879,404	45,659,078	9.8%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfers for Debt Svc-Interest & Lease/SBITA Int	(126,995,557)	(125,636,014)	(130,297,174)	(4,661,160)	3.7%
Total Transfers and Other	355,035,220	338,584,312	379,582,230	40,997,918	12.1%
Budget Margin (Deficit)	309,499,486	(294,879,791)	(241,028,008)	53,851,783	-18.3%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./((Dec.) in Fair Value of Investments	(192,111,997)	-	-	-	-
Interest Expense on Capital Asset Financings	(1,700,300)	(20,000)	(1,700,000)	(1,680,000)	8400.0%
Capital Approp., Gifts and Sponsored Programs	68,765,109	55,961,900	80,275,813	24,313,913	43.4%
Additions to Permanent Endowments	150,558,913	101,435,400	141,155,513	39,720,113	39.2%
Transfers for Debt Service - Principal	(24,412,364)	(62,896,760)	(126,883,563)	(63,986,803)	101.7%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	106,152,969	177,909,801	261,675,509	83,765,708	47.1%
SRECNP Change in Net Position	\$ 416,751,816	(22,489,450)	113,495,264	135,984,714	-604.7%
Total Revenues and AUF/Approp Transfers	\$ 7,526,105,854	7,102,279,446	7,161,255,179	58,975,733	0.8%
Total Expenses (Including Transfers for Interest)	(7,216,606,368)	(7,397,159,237)	(7,402,283,187)	(5,123,950)	0.1%
Budget Margin (Deficit)	\$ 309,499,486	(294,879,791)	(241,028,008)	53,851,783	
Reconciliation to Use of Prior Year Balances					
Depreciation		723,975,776	733,213,332		
Capital Outlay		(185,091,891)	(241,044,613)		
Trsfers for Debt Svc-Principal & Lease/SBITA Prin		(79,600,951)	(149,770,039)		
Budgeted Transfers		(34,383,739)	(37,187,752)		
Net Additions to (Uses of) Prior Year Balances		130,019,404	64,182,920		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 1,733,758,628	2,013,660,596	2,087,122,250	73,461,654	3.6%
Academic Support	725,909,053	710,696,490	767,924,073	57,227,583	8.1%
Research	1,110,651,894	993,341,227	1,007,006,401	13,665,174	1.4%
Public Service	179,383,464	193,635,665	192,805,670	(829,995)	-0.4%
Hospitals and Clinics	163,318,765	162,229,345	173,578,940	11,349,595	7.0%
Institutional Support	545,248,618	563,814,628	478,565,492	(85,249,136)	-15.1%
Student Services	288,871,662	267,013,315	282,171,204	15,157,889	5.7%
Operations and Maintenance of Plant	476,436,812	423,191,382	399,108,709	(24,082,673)	-5.7%
Scholarships and Fellowships	597,422,837	583,215,229	491,208,796	(92,006,433)	-15.8%
Auxiliary Enterprises	591,070,423	636,749,570	659,281,146	22,531,576	3.5%
Depreciation and Amortization	677,538,655	723,975,776	733,213,332	9,237,556	1.3%
Total Operating Expenses	\$ 7,089,610,811	7,271,523,223	7,271,986,013	462,790	0.0%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 1,887,677,173	1,973,468,263	85,791,090	4.5%
Designated	2,694,482,114	2,817,752,126	123,270,012	4.6%
Auxiliary	679,300,080	755,378,891	76,078,811	11.2%
Available University Fund	440,977,000	481,497,000	40,520,000	9.2%
Restricted	2,056,812,103	1,817,219,386	(239,592,717)	-11.6%
Unexpended Plant	15,079,960	23,011,525	7,931,565	52.6%
Subtotal - Expenditures (All Funds)	7,774,328,430	7,868,327,191	93,998,761	1.2%
Reconciling Adjustments:				
Tuition Discounting	(836,452,127)	(808,442,684)	28,009,443	-3.3%
Depreciation	723,975,776	733,213,332	9,237,556	1.3%
Capital Outlay	(185,091,891)	(241,044,613)	(55,952,722)	30.2%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(79,600,951)	(149,770,039)	(70,169,088)	88.2%
Total Expenses (Including Transfers for Interest)	\$ 7,397,159,237	7,402,283,187	5,123,950	0.1%

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 223,285,139	220,100,339	228,092,918	7,992,579	3.6%
Less Discounts and Allowances	(13,185,552)	(9,413,453)	(12,848,566)	(3,435,113)	36.5%
Federal Sponsored Programs	1,096,318,974	988,778,283	1,139,562,406	150,784,123	15.2%
State Sponsored Programs	162,980,573	172,910,034	183,138,294	10,228,260	5.9%
Local and Private Sponsored Programs	1,872,414,882	1,820,925,392	1,960,377,481	139,452,089	7.7%
Net Sales and Services of Educational Activities	123,633,753	85,559,319	88,658,547	3,099,228	3.6%
Net Sales and Services of Hospital and Clinics	8,644,323,001	8,310,155,099	9,270,406,507	960,251,408	11.6%
Net Professional Fees	2,339,436,584	2,239,669,645	2,525,122,257	285,452,612	12.7%
Net Auxiliary Enterprises	104,539,569	106,491,827	122,163,944	15,672,117	14.7%
Other Operating Revenues	523,167,453	499,766,206	497,044,210	(2,721,996)	-0.5%
Total Operating Revenues	15,076,914,376	14,434,942,691	16,001,717,998	1,566,775,307	10.9%
Operating Expenses:					
Compensation - Faculty	2,980,869,886	2,901,504,219	3,208,643,346	307,139,127	10.6%
Compensation - Non-Faculty	4,923,654,260	4,684,523,821	5,235,195,877	550,672,056	11.8%
Wages	224,824,603	216,227,632	236,898,373	20,670,741	9.6%
Benefits	1,961,430,641	1,977,298,168	2,181,552,599	204,254,431	10.3%
Personnel Costs	10,090,779,390	9,779,553,840	10,862,290,195	1,082,736,355	11.1%
Utilities	149,190,986	143,990,013	158,364,272	14,374,259	10.0%
Scholarships and Fellowships	55,821,976	41,888,298	55,569,320	13,681,022	32.7%
Less Discounts and Allowances	(13,185,552)	(9,413,453)	(12,848,566)	(3,435,113)	36.5%
Operations, Maintenance and Travel	5,497,529,157	5,712,313,256	6,460,172,927	747,859,671	13.1%
Less Capitalized Portion and Cap Lease/SBITA	(524,481,807)	(1,075,973,212)	(1,264,614,901)	(188,641,689)	17.5%
Depreciation and Amortization	992,714,564	1,038,876,044	1,026,669,925	(12,206,119)	-1.2%
Total Operating Expenses	16,248,368,714	15,631,234,786	17,285,603,172	1,654,368,386	10.6%
Operating Surplus/Deficit	(1,171,454,338)	(1,196,292,095)	(1,283,885,174)	(87,593,079)	7.3%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	1,203,413,207	1,204,442,424	1,213,997,817	9,555,393	0.8%
Federal Sponsored Programs (Nonoperating)	82,734,885	8,673,124	24,824,325	16,151,201	186.2%
State/Local Sponsored Programs (Nonoperating)	1,050,000	-	-	-	-
Gifts in Support of Operations	266,784,047	211,760,372	245,628,431	33,868,059	16.0%
Net Investment Income	710,965,553	624,320,144	752,904,420	128,584,276	20.6%
Other Non-Operating Revenue	649,778	29,166	18,128	(11,038)	-37.8%
Other Non-Operating (Expenses)	(2,990,023)	(112,500)	-	112,500	-100.0%
Net Non-Operating Revenue/(Expenses)	2,262,607,447	2,049,112,730	2,237,373,121	188,260,391	9.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	2,619,138	4,838,642	25,631,065	20,792,423	429.7%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfers for Debt Svc-Interest & Lease/SBITA Int	(123,589,621)	(129,530,404)	(139,744,710)	(10,214,306)	7.9%
Total Transfers and Other	(120,970,483)	(124,691,762)	(114,113,645)	10,578,117	-8.5%
Budget Margin (Deficit)	970,182,626	728,128,873	839,374,302	111,245,429	15.3%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	6,229,623	3,025,383	2,023,025	(1,002,358)	-33.1%
Net Inc./(Dec.) in Fair Value of Investments	(784,715,341)	-	-	-	-
Interest Expense on Capital Asset Financings	(30,792)	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	79,452,601	31,787,024	61,919,758	30,132,734	94.8%
Additions to Permanent Endowments	70,430,099	56,329,592	61,061,820	4,732,228	8.4%
Transfers for Debt Service - Principal	(242,527,730)	(257,959,767)	(262,698,168)	(4,738,401)	1.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	241,956,430	254,518,427	249,373,716	(5,144,711)	-2.0%
SRECNP Change in Net Position	\$ 340,977,516	815,829,532	951,054,453	135,224,921	16.6%
Total Revenues and AUF/Approp Transfers	\$ 17,345,130,984	16,489,006,563	18,264,722,184	1,775,715,621	10.8%
Total Expenses (Including Transfers for Interest)	(16,374,948,358)	(15,760,877,690)	(17,425,347,882)	(1,664,470,192)	10.6%
Budget Margin (Deficit)	\$ 970,182,626	728,128,873	839,374,302	111,245,429	
Reconciliation to Use of Prior Year Balances					
Depreciation		1,038,876,044	1,026,669,925		
Capital Outlay		(980,031,633)	(1,154,302,856)		
Trsfers for Debt Svc-Principal & Lease/SBITA Prin		(344,378,034)	(364,859,181)		
Budgeted Transfers		(1,344,898)	(200,938)		
Net Additions to (Uses of) Prior Year Balances		441,250,352	346,681,252		

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, 2023**

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 3,305,909,207	2,935,144,156	3,362,006,970	426,862,814	14.5%
Academic Support	425,277,336	439,683,947	449,532,883	9,848,936	2.2%
Research	1,921,492,266	1,884,031,182	2,016,222,212	132,191,030	7.0%
Public Service	178,935,375	192,109,978	220,180,725	28,070,747	14.6%
Hospitals and Clinics	8,290,570,327	8,024,665,719	8,993,746,403	969,080,684	12.1%
Institutional Support	504,963,167	487,726,704	549,521,979	61,795,275	12.7%
Student Services	27,380,921	26,953,742	35,432,795	8,479,053	31.5%
Operations and Maintenance of Plant	467,043,393	467,281,957	483,061,729	15,779,772	3.4%
Scholarships and Fellowships	33,976,421	38,165,060	42,822,029	4,656,969	12.2%
Auxiliary Enterprises	95,155,196	96,596,297	106,405,522	9,809,225	10.2%
Depreciation and Amortization	997,665,105	1,038,876,044	1,026,669,925	(12,206,119)	-1.2%
Total Operating Expenses	\$ 16,248,368,714	15,631,234,786	17,285,603,172	1,654,368,386	10.6%

**Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023**

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 6,190,734,490	6,822,423,627	631,689,137	10.2%
Designated	7,200,702,732	8,042,291,996	841,589,264	11.7%
Auxiliary	125,269,129	134,745,331	9,476,202	7.6%
Available University Fund	-	-	-	-
Restricted	1,591,403,338	1,809,552,574	218,149,236	13.7%
Unexpended Plant	947,715,077	1,121,675,032	173,959,955	18.4%
Subtotal - Expenditures (All Funds)	16,055,824,766	17,930,688,560	1,874,863,794	11.7%
Reconciling Adjustments:				
Tuition Discounting	(9,413,453)	(12,848,566)	(3,435,113)	36.5%
Depreciation	1,038,876,044	1,026,669,925	(12,206,119)	-1.2%
Capital Outlay	(980,031,633)	(1,154,302,856)	(174,271,223)	17.8%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(344,378,034)	(364,859,181)	(20,481,147)	5.9%
Total Expenses (Including Transfers for Interest)	\$ 15,760,877,690	17,425,347,882	1,664,470,192	10.6%

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, 2023

Introduction - Major Goals Addressed by FY 2023 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.

Given the current high inflation environment along with anticipation of relatively flat revenue, the outlook for FY 2023 is particularly challenging for the U. T. System academic institutions. In response to this, U. T. System Administration has proposed additional support to the campuses including a \$20.2 million increase in Direct Campus Support funded by the Available University Fund (AUF), \$12 million of direct assistance from non-AUF reserves, and additional allocations of Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR). It is hoped that the additional LERR funding can be used to free up institutions' operating funds that would have been spent on LERR-eligible expenditures such as certain deferred maintenance and equipment.

The FY 2023 budget is built on a recurring AUF requirement of \$56.1 million (8.3 percent increase) for core U. T. System Administration operations and \$61.7 million for Direct Campus Support (48.8 percent increase). In addition, prior year unexpended AUF balances of \$1.2 million are committed to fund one-time expenditures also related to core U. T. System Administration activities. Increasing cost-of-living in the Austin area and a need to remain competitive to prevent loss of staff has led to a proposed compensation pool to be allocated as 4 percent for merit and 2 percent for promotions, market adjustments, and equity. Other contributing factors include rising employer contributions for health insurance and Teacher Retirement System matching.

In FY 2022 and in response to legislation by the 87th Legislature, U. T. System Administration took over operation of the U. T. Education and Research Center at Laredo, a multi-institution center that supports the delivery of academic, research, clinical, and community engagement activities in Laredo and surrounding South Texas region. Recent agreements have been made with four U. T. institutions to expand programs. The center is funded by a general revenue appropriation.

Revenue

Budgeted revenue for U. T. System Administration is \$683.9 million, up \$29.9 million (4.6 percent). The growth principally results from an increase in the U. T. System's share of the PUF distribution offset by an increase in the AUF distribution to U. T. 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. Federal Sponsored Programs reflect a \$5.1 million increase in anticipated Employee Group Waiver Plan (EGWP) payments related to Medicare Part D retiree prescription drug coverage administered as part of the health insurance program. State Sponsored Programs will experience a \$9.7 million reduction related to the Joint Admission Medical Program, which received its full biennial appropriation in FY 2022. State appropriations decline slightly related to campus debt service appropriations that are transferred to U. T. System Administration and are reflected as revenue in the System's budget.

Expenses

U. T. System Administration's FY 2023 budgeted expenses (including transfers for interest) have increased \$74.0 million (24.1 percent). Additional PUF bond interest (\$50.9 million), particularly related to commercial paper and future bond issuances in a rising interest rate market, are significantly responsible. This increase is offset by an approximately \$8.0 million decline in Tuition Revenue Bond interest due to principal maturities on existing debt. Debt service for debt authorized by the 87th Legislature has not been included in the budget. Overall compensation, including benefits, is expected to rise due to the aforementioned compensation pool and benefits increases, along with a few replacement hires where market dictated increases above the prior incumbent. There are limited new positions in the budget other than for the Laredo center. Operating Expenses are also rising significantly due principally to the additional Direct Campus Support commitment and utilization of the EGWP federal support. Within core operations, there were only minimal increases in Operating Expenses as a result of careful scrutiny and a desire to focus resources on staffing-related concerns.

The University of Texas System Administration
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ -	-	-	-	-
Less Discounts and Allowances	-	-	-	-	-
Federal Sponsored Programs	20,888,149	29,832,046	34,973,862	5,141,816	17.2%
State Sponsored Programs	9,696,794	9,696,794	-	(9,696,794)	-100.0%
Local and Private Sponsored Programs	333,333	-	-	-	-
Net Sales and Services of Educational Activities	13,526,054	2,785,750	3,148,283	362,533	13.0%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	-	-	-	-	-
Other Operating Revenues	29,819,694	4,560,514	4,959,944	399,430	8.8%
Total Operating Revenues	74,264,024	46,875,104	43,082,089	(3,793,015)	-8.1%
Operating Expenses:					
Compensation - Faculty	-	-	-	-	-
Compensation - Non-Faculty	43,665,839	33,378,749	37,881,478	4,502,729	13.5%
Wages	781,000	811,364	910,751	99,387	12.2%
Benefits	(373,442,250)	9,312,446	10,589,354	1,276,908	13.7%
Personnel Costs	(328,995,411)	43,502,559	49,381,583	5,879,024	13.5%
Utilities	285,315	-	-	-	-
Scholarships and Fellowships	429,333	1,894,360	1,969,206	74,846	4.0%
Less Discounts and Allowances	-	-	-	-	-
Operations, Maintenance and Travel	2,230,715,662	98,536,531	125,414,480	26,877,949	27.3%
Less Capitalized Portion and Cap Lease/SBITA	(72,899)	(2,310,874)	(2,214,852)	96,022	-4.2%
Depreciation and Amortization	16,765,517	15,972,481	14,409,374	(1,563,107)	-9.8%
Total Operating Expenses	1,919,127,517	157,595,057	188,959,791	31,364,734	19.9%
Operating Surplus/Deficit	(1,844,863,493)	(110,719,953)	(145,877,702)	(35,157,749)	31.8%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	212,188,055	210,656,038	206,834,235	(3,821,803)	-1.8%
Federal Sponsored Programs (Nonoperating)	-	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	290,603	400,000	400,000	-	0.0%
Net Investment Income	906,408,527	836,869,183	913,768,270	76,899,087	9.2%
Other Non-Operating Revenue	-	100,000	100,000	-	0.0%
Other Non-Operating (Expenses)	-	(100,000)	(100,000)	-	0.0%
Net Non-Operating Revenue/(Expenses)	1,118,887,185	1,047,925,221	1,121,002,505	73,077,284	7.0%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	93,263,511	93,263,511	118,962,318	25,698,807	27.6%
AUF Transfers (Made) for Operations	(554,840,511)	(534,240,511)	(599,284,318)	(65,043,807)	12.2%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(147,308,388)	(148,708,122)	(191,322,538)	(42,614,416)	28.7%
Total Transfers and Other	(608,885,388)	(589,685,122)	(671,644,538)	(81,959,416)	13.9%
Budget Margin (Deficit)	(1,334,861,696)	347,520,146	303,480,265	(44,039,881)	-12.7%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(4,952,076,060)	-	-	-	-
Interest Expense on Capital Asset Financings	(307,372,573)	(403,874,540)	(448,383,195)	(44,508,655)	11.0%
Capital Approp., Gifts and Sponsored Programs	19,695,969	19,263,802	19,300,000	36,198	0.2%
Additions to Permanent Endowments	190,760,854	157,764,992	202,217,333	44,452,341	28.2%
Transfers for Debt Service - Principal	(345,291,000)	(345,981,167)	(289,141,977)	56,839,190	-16.4%
Reverse Transfers for Debt Service (System Only)	1,010,124,660	1,070,712,234	1,127,106,903	56,394,669	5.3%
Transfers and Other	2,330,790,262	(44,515,830)	(67,824,656)	(23,308,826)	52.4%
SRECNP Change in Net Position	\$(3,388,229,584)	800,889,637	846,754,673	45,865,036	5.7%
Total Revenues and AUF/Approp Transfers	\$ 731,574,209	653,923,325	683,862,594	29,939,269	4.6%
Total Expenses (Including Transfers for Interest)	(2,066,435,905)	(306,403,179)	(380,382,329)	(73,979,150)	24.1%
Budget Margin (Deficit)	\$(1,334,861,696)	347,520,146	303,480,265	(44,039,881)	
Reconciliation to Use of Prior Year Balances					
Depreciation		15,972,481	14,409,374		
Capital Outlay		(1,000,000)	(1,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(347,208,283)	(290,282,549)		
Budgeted Transfers		(2,473,494)	(7,618,298)		
Net Additions to (Uses of) Prior Year Balances		12,810,850	18,988,792		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ -	-	-	-	-
Academic Support	12,031,525	11,868,542	16,736,241	4,867,699	41.0%
Research	-	-	-	-	-
Public Service	3,444,591	3,112,500	3,312,500	200,000	6.4%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	1,883,892,172	124,747,174	152,532,470	27,785,296	22.3%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	2,665,711	-	-	-	-
Scholarships and Fellowships	328,000	1,894,360	1,969,206	74,846	4.0%
Auxiliary Enterprises	-	-	-	-	-
Depreciation and Amortization	16,765,518	15,972,481	14,409,374	(1,563,107)	-9.8%
Total Operating Expenses	\$ 1,919,127,517	157,595,057	188,959,791	31,364,734	19.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 304,944,549	326,988,686	22,044,137	7.2%
Designated	12,656,573	14,164,096	1,507,523	11.9%
Auxiliary	-	-	-	-
Available University Fund	289,688,501	279,412,095	(10,276,406)	-3.5%
Restricted	31,349,358	36,690,627	5,341,269	17.0%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	638,638,981	657,255,504	18,616,523	2.9%
Reconciling Adjustments:				
Tuition Discounting	-	-	-	-
Depreciation	15,972,481	14,409,374	(1,563,107)	-9.8%
Capital Outlay	(1,000,000)	(1,000,000)	-	0.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(347,208,283)	(290,282,549)	56,925,734	-16.4%
Total Expenses (Including Transfers for Interest)	\$ 306,403,179	380,382,329	73,979,150	24.1%

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
Fiscal Year Ending August 31, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The University of Texas at Arlington strives to be one of the nation's most inclusive and impactful research universities. With U. T. Arlington's commitment to making college education affordable and to provide access to exceptional academic programs, U. T. Arlington's leadership team will work together to focus on five strategic areas: student success, people and culture, research innovation, community and alumni engagement, and finance and infrastructure.

U. T. Arlington has a long history of providing a quality education to a diverse population of students and providing access to that education throughout their lifetime. Today's students face a vastly different, rapidly evolving, and challenging educational landscape. For the students at U. T. Arlington to succeed, the focus will be on helping them graduate and preparing them for success after graduation. It is critically important that U. T. Arlington build upon its record of success by investing in research capabilities and strengthening high-impact research initiatives.

The FY 2023 operating budget was created through the shared governance process with five thematic areas in mind: student success, people and culture, research innovation, community and alumni engagement, and finance and infrastructure. The University's employees are one of U. T. Arlington's greatest strengths and assets, and for the University to achieve its goals and reflect its commitment to people, it must invest in employees, and just as important is the ongoing and increased engagement of alumni and the community.

Revenue

Total budgeted revenue for FY 2023 is approximately \$789 million, an increase of almost five percent. Net Tuition and Fee revenue is expected to increase by \$8 million. The increase is driven by non-resident student population returning to pre-pandemic levels and continued increase in the freshmen cohort experienced during the current academic year. Growth in tuition revenue is limited by an anticipated decline in online program enrollments. The FY 2023 budget also includes \$14 million from federal Higher Education Emergency Response Funding, an increase in funding for Federal Pell Grant program, and funding for the Promise Plus program.

Expenses

U. T. Arlington's operating expenses are expected to increase 5.6 percent in FY 2023 to a total of \$793 million. Budget increases are focused on merit salary increases, market, equity, and retention salary adjustments, increased benefits costs, instructional budgets, inflationary and operational costs, international recruitment, and student support scholarships. U. T. Arlington plans to utilize one-time funds to support transitioning to Western Athletic Conference and supplementing construction of a new academic facility.

U. T. Arlington has taken steps to control costs and minimize risks of potential economic factors. Cost containment strategies will continuously focus on areas where expenses can be reduced, and greater efficiencies achieved to enable a very high-quality education at an affordable cost.

The University of Texas at Arlington
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 470,479,556	451,551,096	461,918,046	10,366,950	2.3%
Less Discounts and Allowances	(117,619,889)	(112,887,774)	(115,479,511)	(2,591,737)	2.3%
Federal Sponsored Programs	62,796,276	62,796,276	76,023,699	13,227,423	21.1%
State Sponsored Programs	29,836,090	22,765,185	25,551,204	2,786,019	12.2%
Local and Private Sponsored Programs	12,325,000	12,325,000	12,325,000	-	0.0%
Net Sales and Services of Educational Activities	28,252,072	21,172,712	21,548,601	375,889	1.8%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	46,431,008	46,431,008	46,110,224	(320,784)	-0.7%
Other Operating Revenues	25,254,999	6,550,000	6,467,113	(82,887)	-1.3%
Total Operating Revenues	557,755,112	510,703,503	534,464,376	23,760,873	4.7%
Operating Expenses:					
Compensation - Faculty	141,872,721	144,915,078	147,223,077	2,307,999	1.6%
Compensation - Non-Faculty	160,996,849	159,404,708	166,298,707	6,893,999	4.3%
Wages	38,442,101	39,991,885	40,177,762	185,877	0.5%
Benefits	103,417,509	103,417,509	109,539,203	6,121,694	5.9%
Personnel Costs	444,729,180	447,729,180	463,238,749	15,509,569	3.5%
Utilities	11,268,309	10,346,101	10,242,296	(103,805)	-1.0%
Scholarships and Fellowships	182,789,183	157,791,424	172,533,555	14,742,131	9.3%
Less Discounts and Allowances	(117,619,889)	(112,887,774)	(115,479,511)	(2,591,737)	2.3%
Operations, Maintenance and Travel	222,794,981	218,778,933	241,879,506	23,100,573	10.6%
Less Capitalized Portion and Cap Lease/SBITA	(29,379,096)	(29,594,180)	(35,687,971)	(6,093,791)	20.6%
Depreciation and Amortization	58,875,448	58,875,448	56,688,831	(2,186,617)	-3.7%
Total Operating Expenses	773,458,116	751,039,132	793,415,455	42,376,323	5.6%
Operating Surplus/Deficit	(215,703,004)	(240,335,629)	(258,951,079)	(18,615,450)	7.7%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	141,806,177	148,877,082	148,936,333	59,251	0.0%
Federal Sponsored Programs (Nonoperating)	50,746,575	63,000,000	70,000,000	7,000,000	11.1%
State/Local Sponsored Programs (Nonoperating)	275,000	275,000	902,500	627,500	228.2%
Gifts in Support of Operations	7,223,220	3,957,612	3,648,673	(308,939)	-7.8%
Net Investment Income	33,675,889	18,163,106	24,770,294	6,607,188	36.4%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	233,726,861	234,272,800	248,257,800	13,985,000	6.0%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	7,070,905	7,070,905	6,432,040	(638,865)	-9.0%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(9,743,885)	(9,742,808)	(9,415,387)	327,421	-3.4%
Total Transfers and Other	(2,672,980)	(2,671,903)	(2,983,347)	(311,444)	11.7%
Budget Margin (Deficit)	15,350,877	(8,734,732)	(13,676,626)	(4,941,894)	56.6%
Reconciliation to Change in Net Position:					
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	1,500,000	3,800,000	3,800,000	-	0.0%
Additions to Permanent Endowments	2,000,000	3,000,000	3,000,000	-	0.0%
Transfers for Debt Service - Principal	(10,061,348)	(9,847,000)	(10,924,000)	(1,077,000)	10.9%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	3,671,440	31,000,000	33,285,835	2,285,835	7.4%
SRECNP Change in Net Position	\$ 12,460,969	19,218,268	15,485,209	(3,733,059)	-19.4%
Total Revenues and AUF/Approp Transfers	\$ 798,552,878	752,047,208	789,154,216	37,107,008	4.9%
Total Expenses (Including Transfers for Interest)	(783,202,001)	(760,781,940)	(802,830,842)	(42,048,902)	5.5%
Budget Margin (Deficit)	\$ 15,350,877	(8,734,732)	(13,676,626)	(4,941,894)	
Reconciliation to Use of Prior Year Balances					
Depreciation		58,875,448	56,688,831		
Capital Outlay		(29,379,096)	(35,472,887)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(10,061,348)	(11,138,348)		
Budgeted Transfers		-	-		
Net Additions to (Uses of) Prior Year Balances		10,700,272	(3,599,030)		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 207,725,343	238,213,508	253,226,961	15,013,453	6.3%
Academic Support	57,313,443	54,655,872	67,617,337	12,961,465	23.7%
Research	109,131,671	98,063,918	96,534,650	(1,529,268)	-1.6%
Public Service	16,911,419	14,368,271	16,015,768	1,647,497	11.5%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	60,733,441	72,322,540	76,583,472	4,260,932	5.9%
Student Services	97,324,069	89,609,578	88,440,487	(1,169,091)	-1.3%
Operations and Maintenance of Plant	38,855,812	32,541,717	34,375,864	1,834,147	5.6%
Scholarships and Fellowships	65,169,294	36,914,295	48,922,760	12,008,465	32.5%
Auxiliary Enterprises	61,418,176	55,473,985	55,009,325	(464,660)	-0.8%
Depreciation and Amortization	58,875,448	58,875,448	56,688,831	(2,186,617)	-3.7%
Total Operating Expenses	\$ 773,458,116	751,039,132	793,415,455	42,376,323	5.6%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 251,989,485	255,063,441	3,073,956	1.2%
Designated	376,411,439	403,350,364	26,938,925	7.2%
Auxiliary	79,806,534	76,799,902	(3,006,632)	-3.8%
Available University Fund	-	-	-	-
Restricted	144,442,726	165,534,525	21,091,799	14.6%
Unexpended Plant	1,584,526	7,484,525	5,899,999	372.4%
Subtotal - Expenditures (All Funds)	854,234,710	908,232,757	53,998,047	6.3%
Reconciling Adjustments:				
Tuition Discounting	(112,887,774)	(115,479,511)	(2,591,737)	2.3%
Depreciation	58,875,448	56,688,831	(2,186,617)	-3.7%
Capital Outlay	(29,379,096)	(35,472,887)	(6,093,791)	20.7%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(10,061,348)	(11,138,348)	(1,077,000)	10.7%
Total Expenses (Including Transfers for Interest)	\$ 760,781,940	802,830,842	42,048,902	5.5%

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
Fiscal Year Ending August 31, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The University of Texas at Austin, Texas' flagship university, is also the educational and research engine of the most dynamic city in the country's most thriving state. While the University has celebrated many recent academic and research achievements, President Jay Hartzell has laid out a vision where the University endeavors to marshal all of the assets that make it unique to meet the demands and opportunities of a rapidly changing world. To this end, the FY 2023 budget provides resources to secure recent successes, to address the challenges of recruiting and retaining top-tier faculty and staff, and to launch a strategic plan to transform U. T. Austin into the world's highest-impact public research university.

The FY 2023 budget builds on recent achievements in graduation and diversity by funding student success initiatives, including peer mentoring, academic support, and scholarship access. These have helped U. T. Austin achieve all-time high graduation rates; specifically, the four-year graduation rate reached 72.8 percent in 2021, compared to 11 years ago when the rate stood at 52.5 percent prior to implementation of these initiatives. This continues one of the largest improvements over such a short period of time in American higher education.

Improving graduation rates has not only saved money for students and their families, but also increases Texans' access to their flagship university. In the 2021-22 academic year, U. T. Austin welcomed 9,060 first-time freshmen undergraduates, its largest-ever incoming class. Additionally, numbers of historically underrepresented students, including both first generation undergraduates and Hispanic students, hit all-time highs. Overall, the University's number and percentage of historically underrepresented undergraduates rose to 32.7 percent, also a historically high-water mark.

Faculty remain at the heart of U. T. Austin's education and research mission. The FY 2023 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 five-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 90 active faculty searches supported in the FY 2023 budget.

In May 2022, under the leadership of President Hartzell, U. T. Austin launched the bold and comprehensive 10-year strategic plan — called *Change Starts Here* — to achieve this goal. The transformation will be executed through 42 separate initiative areas, organized under five strategic and interconnected pillars that are core to the University's impact: People, Place, and our Pursuits of Experiences, Education, and Research. The FY 2023 budget includes resources for a focused and collaborative Transformation Support Office to guide the University-wide effort, along with funding in reserve to launch the first set of initiatives in the fall of 2022.

Revenue

Tuition revenue growth is projected to be \$9.7 million over the prior year budget. However, with tuition rates unchanged from FY 2022, this increase reflects current year enrollment growth above budgeted levels of approximately 1,000 students, with no significant projected change to enrollment in FY 2023. Auxiliary enterprise income is projected to increase by \$55.1 million, returning to pre-COVID-19 pandemic levels. Major increases include a \$17.5 million increase at the AT&T Hotel and Conference Center; a net increase of \$11.4 million in Intercollegiate Athletics, partially offset by loss of revenue from the shuttered Erwin Center; and \$18.5 million in Housing and Dining and University Unions, including new revenue related to the acquisition of the Dobie Twenty21 residential tower. The net decrease in federal sponsored programs (non-operating) is due to Federal Higher Education Emergency Relief Fund (HEERF) funding budgeted in FY 2022, but not available in FY 2023. Finally, the movement of \$250.0 million in funds from short and intermediate investments to the Long Term Fund is contributing, among other factors, to a projected investment income increase of \$40.0 million.

Expenses

In response to the challenging labor market and rapidly rising cost of living in central Texas, U. T. Austin funded an array of centrally funded salary pools in its FY 2023 budget, at a total cost including benefits of \$52.6 million. In addition to merit pools of 3 percent, the University is providing salary pools of equivalent size for structural adjustments, including retention and equity increases. New campus-wide technology initiatives are funded; for example, the three-year \$15.0 million Data to Insights Initiative will integrate modern, cloud-scale technologies, analytics, and broad engagement, in order to connect the University's many data systems together in service to decision makers at all levels, via the new UT Data Hub. Lastly, a \$127.6 million decrease due to one-time HEERF funding in FY 2022 is reflected as an expense decrease in the areas of scholarships and fellowships, and maintenance and operations.

The University of Texas at Austin
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 681,660,000	720,500,386	730,190,417	9,690,031	1.3%
Less Discounts and Allowances	(140,660,000)	(196,800,000)	(197,200,000)	(400,000)	0.2%
Federal Sponsored Programs	550,745,208	481,106,646	493,542,449	12,435,803	2.6%
State Sponsored Programs	66,805,354	59,782,260	61,447,525	1,665,265	2.8%
Local and Private Sponsored Programs	205,149,438	212,786,986	221,914,647	9,127,661	4.3%
Net Sales and Services of Educational Activities	311,200,000	302,605,655	310,179,885	7,574,230	2.5%
Net Sales and Services of Hospital and Clinics	1,600,000	1,600,000	1,600,000	-	0.0%
Net Professional Fees	12,700,000	9,278,628	12,294,052	3,015,424	32.5%
Net Auxiliary Enterprises	306,600,000	301,677,827	356,747,823	55,069,996	18.3%
Other Operating Revenues	6,600,000	12,625,319	9,246,693	(3,378,626)	-26.8%
Total Operating Revenues	2,002,400,000	1,905,163,707	1,999,963,491	94,799,784	5.0%
Operating Expenses:					
Compensation - Faculty	522,229,216	477,743,232	511,896,893	34,153,661	7.1%
Compensation - Non-Faculty	1,030,823,914	912,016,134	986,488,721	74,472,587	8.2%
Wages	54,246,870	44,461,652	47,937,207	3,475,555	7.8%
Benefits	404,000,000	402,511,155	430,110,960	27,599,805	6.9%
Personnel Costs	2,011,300,000	1,836,732,173	1,976,433,781	139,701,608	7.6%
Utilities	84,200,000	76,133,753	82,428,207	6,294,454	8.3%
Scholarships and Fellowships	397,660,000	423,494,265	386,787,939	(36,706,326)	-8.7%
Less Discounts and Allowances	(140,660,000)	(196,800,000)	(197,200,000)	(400,000)	0.2%
Operations, Maintenance and Travel	757,159,200	1,104,743,786	1,002,047,649	(102,696,137)	-9.3%
Less Capitalized Portion and Cap Lease/SBITA	(91,059,200)	(116,905,682)	(155,066,896)	(38,161,214)	32.6%
Depreciation and Amortization	372,600,000	380,661,189	379,957,200	(703,989)	-0.2%
Total Operating Expenses	3,391,200,000	3,508,059,484	3,475,387,880	(32,671,604)	-0.9%
Operating Surplus/Deficit	(1,388,800,000)	(1,602,895,777)	(1,475,424,389)	127,471,388	-8.0%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	368,400,000	368,351,869	359,644,018	(8,707,851)	-2.4%
Federal Sponsored Programs (Nonoperating)	174,600,000	174,648,715	54,800,000	(119,848,715)	-68.6%
State/Local Sponsored Programs (Nonoperating)	35,000,000	35,000,000	35,000,000	-	0.0%
Gifts in Support of Operations	231,900,000	180,768,686	193,348,251	12,579,565	7.0%
Net Investment Income	348,500,000	290,015,493	330,019,830	40,004,337	13.8%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	1,158,400,000	1,048,784,763	972,812,099	(75,972,664)	-7.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	462,444,930	442,233,104	482,794,202	40,561,098	9.2%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(70,000,000)	(70,414,693)	(73,674,335)	(3,259,642)	4.6%
Total Transfers and Other	392,444,930	371,818,411	409,119,867	37,301,456	10.0%
Budget Margin (Deficit)	162,044,930	(182,292,603)	(93,492,423)	88,800,180	-48.7%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	(1,700,000)	(20,000)	(1,700,000)	(1,680,000)	8400.0%
Capital Approp., Gifts and Sponsored Programs	65,000,000	41,000,000	65,000,000	24,000,000	58.5%
Additions to Permanent Endowments	120,000,000	82,000,000	120,000,000	38,000,000	46.3%
Transfers for Debt Service - Principal	-	(36,512,760)	(58,500,040)	(21,987,280)	60.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	40,200,000	31,700,000	40,200,000	8,500,000	26.8%
SRECNP Change in Net Position	\$ 385,544,930	(64,125,363)	71,507,537	135,632,900	-211.5%
Total Revenues and AUF/Approp Transfers	\$ 3,623,244,930	3,396,181,574	3,455,569,792	59,388,218	1.7%
Total Expenses (Including Transfers for Interest)	(3,461,200,000)	(3,578,474,177)	(3,549,062,215)	29,411,962	-0.8%
Budget Margin (Deficit)	\$ 162,044,930	(182,292,603)	(93,492,423)	88,800,180	
Reconciliation to Use of Prior Year Balances					
Depreciation		380,661,189	379,957,200		
Capital Outlay		(95,264,831)	(139,906,990)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(46,085,912)	(69,700,652)		
Budgeted Transfers		(33,169,382)	(35,668,293)		
Net Additions to (Uses of) Prior Year Balances		23,848,461	41,188,842		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 749,267,553	957,566,372	1,001,948,774	44,382,402	4.6%
Academic Support	378,095,900	354,208,893	367,420,498	13,211,605	3.7%
Research	610,003,862	512,877,119	518,560,080	5,682,961	1.1%
Public Service	107,994,804	122,062,468	123,805,094	1,742,626	1.4%
Hospitals and Clinics	112,600,313	109,619,517	126,257,022	16,637,505	15.2%
Institutional Support	267,310,373	277,529,403	193,343,316	(84,186,087)	-30.3%
Student Services	45,803,226	48,413,019	52,818,993	4,405,974	9.1%
Operations and Maintenance of Plant	227,329,774	174,669,216	157,432,056	(17,237,160)	-9.9%
Scholarships and Fellowships	188,199,118	211,311,470	175,255,972	(36,055,498)	-17.1%
Auxiliary Enterprises	310,231,075	359,140,818	378,588,875	19,448,057	5.4%
Depreciation and Amortization	394,364,002	380,661,189	379,957,200	(703,989)	-0.2%
Total Operating Expenses	\$ 3,391,200,000	3,508,059,484	3,475,387,880	(32,671,604)	-0.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 583,086,878	623,475,886	40,389,008	6.9%
Designated	1,119,646,313	1,132,050,920	12,404,607	1.1%
Auxiliary	329,956,485	377,562,191	47,605,706	14.4%
Available University Fund	440,977,000	481,497,000	40,520,000	9.2%
Restricted	1,055,797,055	954,826,660	(100,970,395)	-9.6%
Unexpended Plant	6,500,000	6,500,000	-	0.0%
Subtotal - Expenditures (All Funds)	3,535,963,731	3,575,912,657	39,948,926	1.1%
Reconciling Adjustments:				
Tuition Discounting	(196,800,000)	(197,200,000)	(400,000)	0.2%
Depreciation	380,661,189	379,957,200	(703,989)	-0.2%
Capital Outlay	(95,264,831)	(139,906,990)	(44,642,159)	46.9%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(46,085,912)	(69,700,652)	(23,614,740)	51.2%
Total Expenses (Including Transfers for Interest)	\$ 3,578,474,177	3,549,062,215	(29,411,962)	-0.8%

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 FY 2023 Budget**

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, the AUF is appropriated for the support and maintenance of the University. Over the years, the AUF has provided the margin of excellence that permits UT 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: **\$ 273,064,412**

Instructional Excellence

Enhanced Academic Programs \$ 149,113,248

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. It also includes reserves to be allocated by executive leadership.

Instructional Program Services 7,909,108

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. Services also includes administration and coordination of classroom space for the College of Natural Sciences.

Instructional Initiatives and Programs 28,022,751

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 support for Texas Student Media as well as the Distinguished Service Academy.

Academic Infrastructure (Libraries, Instructional Technology) 47,569,742

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 8,709,235

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. Funding is included for the Graduation Help Desk as well as AUF student support for the College of Natural Sciences.

Research Excellence

Research Competitiveness 27,876,013
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. Additionally debt service funding for a centralized portion of Dell Medical School's Health Discovery Building is included. In FY22-23 this also includes AUF support for the new Civitas Institute.

Outreach Excellence

Academic Program/Community Interface 3,864,315

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:

80,233,811

Faculty

2,841,353

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.

K-12 Outreach and Undergraduate Students

28,124,384

Funds for various admission, scholarship and retention programs help ensure 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

49,268,074

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 graduate student support/funding packages competitive with peer universities. Funding is included for TA/Al salaries and to support recruitment fellowships. In FY 22-23 includes additional funds for fellowships in STEM programs.

Institutional Accountability and Enhanced Connections to the Public

99,533,642

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 Division of Investigation and Adjudication, which investigations allegations of discrimination, harassment and other prohibited conduct. FY 22-23 includes funding for EBITs.

Dell Medical School

25,660,156

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

3,004,979

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. Funding 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

\$ 481,497,000

Details

Excellence in Mission

Instructional Excellence

Enhanced Academic Programs		149,113,248
Colleges and Schools	80,146,760	
Academic Departments and Centers	68,966,488	
Instructional Program Services		7,909,108
Texas Language Center	83,025	
Natural Sciences Dean's Office Communication Group	731,366	
Academic Information Systems	4,356,320	
Fine Arts Office of Computing Technologies	201,803	
Faculty Innovation Center	819,712	
Undergraduate Studies - Assessment	143,513	
UT Elementary School	124,875	
Information Security Office Network Centralization	1,153,701	
Student Success Initiatives	166,401	
CNS Resource Management	128,392	
Instructional Initiatives and Programs		28,022,751
Visiting Lecturers and Academic development	80,000	
Provost Initiatives and Innovations	24,542,765	
Fine Arts Projects	125,000	
School for Design & Creative Technology	940,169	
Nursing Children's Wellness Center	438,576	
Nursing Learning Center	1,000	
Texas Student Media Support	35,117	
Undergraduate Programs	463,072	
Signature Courses	912,841	
Distinguished Service Academy	166,571	
Core Curriculum Development	317,640	
Academic Infrastructure		47,569,742
Instructional Technology	22,499,046	
Libraries	25,070,696	
Student Programs and Services		8,709,235
Dean of Students	1,879,941	
Deaf Interpreter Services	786,638	
Services For Students With Disabilities	697,677	
College to Career	3,306,307	
Enrollment Management - Business Services	1,251,117	
Student Services	660,357	
Graduation Help Desk	52,036	
Natural Sciences Undergraduate Education	75,162	

Research Excellence		27,876,013
Research Competitiveness		
Research grant infrastructure, compliance and support		
VP For Research - Research Support And Compliance Office		
Institutional Capital Projects	10,135,647	
Research Grants	55,100	
Animal Resources Center	1,311,017	
Texas Advanced Computing Center	3,545,757	
VP Research Central Operating	37,202	
College of Liberal Arts - Research	637,293	
Research Initiatives		
Organized Research Units	6,176,922	
University Of Texas Press	1,012,087	
Undergraduate Research	59,116	
Center For Studies In Texas History	398,054	
Research Instruments Laboratory	101,709	
Research Enhancement	752,584	
Integrative Biology - Biodiversity Collections	368,016	
Civitas Institute	3,000,000	
Clements Center for National Security	285,509	
Outreach Excellence		3,864,315
Academic Program/Community Interface		
Texas Performing Arts	1,119,056	
Jack S. Blanton Museum of Art	2,520,255	
Winedale Historical Center	166,670	
Public Service	58,334	
Recruitment and Retention of Talent:		80,233,811
Initiatives to ensure quality and diversity		
Faculty	2,841,353	
Faculty Development Program	2,192,723	
Faculty Recruitment	648,630	
Undergraduate Students	28,124,384	
Admission	5,488,153	
Enrollment Analytics	1,185,349	
Enrollment Management	585,999	
Texas Advance Commitment	12,500,000	
Registrar	900,044	
University Outreach Centers	377,724	
Tuition and Fees Scholarship	69,129	
Student Services	1,002,277	
Former Student Records	572,381	
Student Financial Services	2,290,169	
Hardship Waivers	3,113,159	
Institutional Tuition Rebates	40,000	

Graduate Students	49,268,074
Vice Provost and Dean of Graduate Studies	2,504,308
Tuition Benefits - Teaching Asst/Asst Instructor	24,760,327
Graduate Fellowships and Scholarships	14,889,575
Graduate Research Fellowships and Scholarships	200,000
STEM Fellowships and Top-ups	2,900,000
Graduate Student Investment Initiative	2,789,230
L B J School Of Public Affairs Fellowships and Scholarship	225,000
LBJ Non-Resident Tuition Entitlement Program	606,871
Natural Sciences Dean's Excellence Graduate Awards	180,000
Natural Sciences Graduate Education	212,763

Institutional Accountability and Enhanced Connections to the Public

99,533,642

Office of President - Staff Ombuds	
Office of the Executive Vice President And Provost	7,023,940
Division of Investigation and Adjudication	1,619,722
Institutional Accreditation And Effectiveness	501,151
Institutional Reporting, Research, and Information Systems	1,008,011
Senior Vice President And CFO	345,559
Senior Vice President And CFO Communications Department	904,714
Facilities Infrastructure and Support	51,500,000
University Communications	6,496,519
Global Engagement	1,446,006
Equal Employment Opportunity	969,336
IQ Project	1,941,186
Workday Sustainment	3,803,215
Ebit-Enterprise Customer Services	1,772,317
Ebit-Enterprise Business Solutions	1,868,894
Ebit-Enterprise Technical Solutions	1,608,386
Workday Contingency	222,353
General Faculty Office	248,695
Institutional Memberships	532,800
Institutional Support	1,686,115
Liberal Arts Public Affairs	711,503
Liberal Arts Business Affairs	966,861
Liberal Arts Centralized Business Office	386,049
Liberal Arts Human Resources	785,241
Natural Sciences Business Services	20,000
Development - support for scholarships, facilities, research, academic programs, faculty endowments, etc.	11,165,069

Dell Medical School

25,660,156

UT System

3,004,979

Telecomm Services Office - UT System Support	1,155,123
Telecomm Infrastructure - Network Bandwidth	196,334
Telecomm Infrastructure - Wide Area Network Support	932,000
Information Technology Assessments - UT Austin Support	519,088
UT System Cyberinfrastructure	102,434
Dr. John B. Goodenough Award	100,000

TOTAL

\$ 481,497,000



THE UNIVERSITY OF TEXAS
AT DALLAS



**The University of Texas at Dallas
Operating Budget Highlights
Fiscal Year Ending August 31, 2023**

Introduction - Major Goals Addressed by FY 2023 Budget

The University of Texas at Dallas, third fastest growing university among all public, doctoral degree-granting programs in the Nation according to The Chronicle of Higher Education, continues its journey to becoming an energetic, top-tier national research institution that embodies innovation and collaboration. U. T. Dallas launched a comprehensive campaign in May 2022 with the goals of attracting the best and brightest students, transforming the arts on campus, and enhancing lives through transformational research. The campaign will run through 2025, and U. T. Dallas already met 40 percent of the \$750 million campaign goal.

Fall 2021 enrollment increased by 2.7 percent from 28,926 to 29,698. Current estimates place total enrollment at 30,143 for fall 2022, an increase of 1.5 percent from fall 2021 and 4.2 percent from fall 2020. These enrollment estimates, coupled with proactive response to the financial disruptions resulting from the COVID-19 pandemic and a relatively successful formula funding outcome from the 87th legislative session, is allowing U. T. Dallas to respond to price increases due to inflation, maintain workforce, and focus on the long-term institutional priorities.

FY 2023 budget includes expansion of funding to increase the number of tenured and tenure-track faculty; funding to provide free medical insurance for research and teaching assistants to become more competitive in attracting highly qualified graduate students; enrollment growth funding support to the academic schools and administrative units; funding to increase the minimum salary at U. T. Dallas to \$32,000; and an annual faculty and staff merit program.

U. T. Dallas is committed to maintaining financial stability while pursuing student, academic, and research success metrics. This budget balances the need to meet operating challenges, while providing funding for new initiatives supporting the strategic plan and providing a modest amount of discretionary funding to support opportunities identified during FY 2023 by the President, Provost, and Chief of Staff.

Revenue

Total budgeted revenue for FY 2023 is approximately \$798.7 million, an increase of \$33.9 million over FY 2022. The FY 2023 revenue budget is based on current projections that are exceeding the FY 2022 budgeted amounts due to a projected enrollment increase in graduate non-resident students for FY 2023.

The increase in operating revenue is due mainly to net tuition and fees (\$56.8 million), increase in Texas Research Incentive Program funding (\$10.2 million), and net investment income (\$10.1 million). These were offset by a \$51.9 million decrease in Federal Sponsored Programs – Nonoperating which marked the end of Higher Education Emergency Response Funding federal funding in FY 2022. In FY 2023, U. T. Dallas joined a long-term investment program that is expected to yield \$5 million in the first year.

Expenses

Budgeted expenses for FY 2023, including transfers for interest, total approximately \$803.6 million, an increase of \$23.7 million over FY 2022. Salaries and benefits account for the majority of the total operating expense increase.

The FY 2023 budget includes funding for new faculty recruitment (\$6.4 million). Based on positive fall 2022 enrollment, budget has been reserved to fund merit (\$9.8 million), graduate student medical insurance (\$5 million), and benefit rate increases (3.9 million). Commencing with FY 2023, U. T. Dallas will begin funding graduate student's out of pocket medical insurance to attract and retain students.

The University of Texas at Dallas
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 516,321,307	476,074,793	512,451,723	36,376,930	7.6%
Less Discounts and Allowances	(150,771,811)	(169,809,948)	(149,352,521)	20,457,427	-12.0%
Federal Sponsored Programs	60,520,473	61,302,563	62,933,618	1,631,055	2.7%
State Sponsored Programs	16,016,417	16,902,072	18,699,710	1,797,638	10.6%
Local and Private Sponsored Programs	14,233,027	15,294,901	14,800,543	(494,358)	-3.2%
Net Sales and Services of Educational Activities	37,628,879	36,433,854	37,198,183	764,329	2.1%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	48,880,515	49,121,565	51,523,512	2,401,947	4.9%
Other Operating Revenues	9,076,480	8,975,200	9,212,361	237,161	2.6%
Total Operating Revenues	551,905,287	494,295,000	557,467,129	63,172,129	12.8%
Operating Expenses:					
Compensation - Faculty	140,069,270	150,652,231	157,272,773	6,620,542	4.4%
Compensation - Non-Faculty	149,626,926	155,092,872	168,004,314	12,911,442	8.3%
Wages	39,648,363	44,764,631	44,518,030	(246,601)	-0.6%
Benefits	81,405,342	93,157,704	106,548,463	13,390,759	14.4%
Personnel Costs	410,749,901	443,667,438	476,343,580	32,676,142	7.4%
Utilities	15,705,967	12,636,321	12,637,746	1,425	0.0%
Scholarships and Fellowships	226,872,356	233,602,323	206,218,063	(27,384,260)	-11.7%
Less Discounts and Allowances	(150,771,811)	(169,809,948)	(149,352,521)	20,457,427	-12.0%
Operations, Maintenance and Travel	135,048,130	165,126,178	168,716,945	3,590,767	2.2%
Less Capitalized Portion and Cap Lease/SBITA	(14,390,453)	(18,031,572)	(19,876,256)	(1,844,684)	10.2%
Depreciation and Amortization	92,528,836	91,832,350	88,201,993	(3,630,357)	-4.0%
Total Operating Expenses	715,742,926	759,023,090	782,889,550	23,866,460	3.1%
Operating Surplus/Deficit	(163,837,639)	(264,728,090)	(225,422,421)	39,305,669	-14.8%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	131,732,643	128,135,314	129,486,370	1,351,056	1.1%
Federal Sponsored Programs (Nonoperating)	75,250,499	87,860,980	35,952,980	(51,908,000)	-59.1%
State/Local Sponsored Programs (Nonoperating)	1,090,929	1,090,929	11,324,826	10,233,897	938.1%
Gifts in Support of Operations	18,996,690	11,406,000	12,773,000	1,367,000	12.0%
Net Investment Income	41,316,870	35,294,037	45,348,138	10,054,101	28.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	268,387,631	263,787,260	234,885,314	(28,901,946)	-11.0%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	6,283,456	6,752,606	6,379,791	(372,815)	-5.5%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(22,184,199)	(20,816,968)	(20,662,949)	154,019	-0.7%
Total Transfers and Other	(15,900,743)	(14,064,362)	(14,283,158)	(218,796)	1.6%
Budget Margin (Deficit)	88,649,249	(15,005,192)	(4,820,265)	10,184,927	-67.9%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(80,883,592)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	3,400,000	6,800,000	4,000,000	(2,800,000)	-41.2%
Transfers for Debt Service - Principal	(7,282,000)	(9,407,000)	(22,261,523)	(12,854,523)	136.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	3,740,385	7,071,217	6,500,000	(571,217)	-8.1%
SRECNP Change in Net Position	\$ 7,624,042	(10,540,975)	(16,581,788)	(6,040,813)	57.3%
Total Revenues and AUF/Approp Transfers	\$ 826,576,374	764,834,866	798,732,234	33,897,368	4.4%
Total Expenses (Including Transfers for Interest)	(737,927,125)	(779,840,058)	(803,552,499)	(23,712,441)	3.0%
Budget Margin (Deficit)	\$ 88,649,249	(15,005,192)	(4,820,265)	10,184,927	
Reconciliation to Use of Prior Year Balances					
Depreciation		91,832,350	88,201,993		
Capital Outlay		(14,390,453)	(16,345,164)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(12,508,857)	(25,315,891)		
Budgeted Transfers		(507,062)	(523,530)		
Net Additions to (Uses of) Prior Year Balances		49,420,786	41,197,143		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 213,942,820	224,086,972	236,273,526	12,186,554	5.4%
Academic Support	68,194,301	80,795,569	88,605,749	7,810,180	9.7%
Research	106,823,779	106,299,381	126,451,556	20,152,175	19.0%
Public Service	9,778,535	10,482,337	10,445,746	(36,591)	-0.3%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	37,498,767	43,229,973	52,930,871	9,700,898	22.4%
Student Services	19,445,222	20,949,194	22,320,742	1,371,548	6.5%
Operations and Maintenance of Plant	59,068,032	78,630,231	58,523,606	(20,106,625)	-25.6%
Scholarships and Fellowships	65,979,666	58,958,309	51,492,846	(7,465,463)	-12.7%
Auxiliary Enterprises	42,482,968	43,758,774	47,642,915	3,884,141	8.9%
Depreciation and Amortization	92,528,836	91,832,350	88,201,993	(3,630,357)	-4.0%
Total Operating Expenses	\$ 715,742,926	759,023,090	782,889,550	23,866,460	3.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 208,700,525	223,132,737	14,432,212	6.9%
Designated	432,351,996	477,018,604	44,666,608	10.3%
Auxiliary	62,387,981	72,698,578	10,310,597	16.5%
Available University Fund	-	-	-	-
Restricted	181,276,464	131,514,163	(49,762,301)	-27.5%
Unexpended Plant	-	2,000,000	2,000,000	-
Subtotal - Expenditures (All Funds)	884,716,966	906,364,082	21,647,116	2.4%
Reconciling Adjustments:				
Tuition Discounting	(169,809,948)	(149,352,521)	20,457,427	-12.0%
Depreciation	91,832,350	88,201,993	(3,630,357)	-4.0%
Capital Outlay	(14,390,453)	(16,345,164)	(1,954,711)	13.6%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(12,508,857)	(25,315,891)	(12,807,034)	102.4%
Total Expenses (Including Transfers for Interest)	\$ 779,840,058	803,552,499	23,712,441	3.0%

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, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The University of Texas at El Paso is a comprehensive public research university that is increasing access to excellent higher education. The University advances discovery of public value and positively impacts the health, culture, education, and economy of the community it serves. The University believes that higher education is the single best pathway to opportunity in America, and today stands among its peers as a leader in 21st century higher education.

The University seeks to provide students an excellent and engaged education in an inclusive university that builds on student strengths and demonstrates a culture of care. The assumptions embedded in the University's operating budget reflect the lingering impact of the global pandemic and the population demographics of the border region. This impact has been more pronounced in low-income communities like those that the University serves.

While tuition and fees were not increased for the FY 2023 Operating Budget, U. T. El Paso will continue to support an enrollment plan that focuses on both improved retention through graduation and recruitment in the region; continue to build a best-practice advancement operation commensurate with the size of the alumni base; and focus on student success. The University remains invested in developing new programs to contribute to the region's economy and expand research of public value that solidifies and builds upon the University's status as an R1 research university. The Promise Plus program funds provided by U. T. System will have a significant impact on expanding and facilitating student success.

Revenue

Projected revenues for FY 2023 are \$531.4 million, which is a decrease of 0.5 percent or \$2.8 million from the FY 2022 operating budget. Tuition revenue will increase slightly related to growth of \$5.1 million in incidental fee revenue mostly attributed to an increase in online modality. This growth is offset by a projected decrease of \$3.0 million in tuition and mandatory fee revenue related to an overall decline in fall and spring enrollment. The decrease in Federal Sponsored Programs Non-Operating is related to a reduction in Higher Education Emergency Relief (HEERF) funds of approximately \$25.0 million. Sponsored programs are expected to increase by \$12.8 million, with a projected increase of \$5.0 million in TEXAS Grants. Net Auxiliary enterprises are expected to increase by \$7.0 million as athletic and entertainment events continue to grow post pandemic, and housing revenue is projected to increase by 9 percent. Gifts and investment income are expected to increase by almost \$4.0 million.

Expenses

The FY 2023 operating budget includes a 2 percent merit increase for all faculty and staff, as well as \$320,000 for faculty tenure and promotion increases and \$300,000 for market and compression salary increases. The decrease in scholarships and fellowships (before discounts and allowances) is result of a reduction in the HEERF supported scholarships in the amount of \$20 million, and an offsetting increase of \$5.3 million in TEXAS Grants and institutionally funded scholarships. Benefit costs are projected to increase 7.5 percent and \$250,000 for changes in the Teacher Retirement System employer contribution rate. Principal payments on debt and capitalized lease payments increased by \$9.4 million, primarily attributed to the expiration of the deferral of debt principal payments for FY 2021 and FY 2022. Auxiliary enterprises are projected to increase by \$0.5 million as events and activities on campus resume to pre pandemic levels.

The University of Texas at El Paso
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 206,765,538	204,042,122	206,103,461	2,061,339	1.0%
Less Discounts and Allowances	(57,894,351)	(58,152,005)	(57,910,569)	241,436	-0.4%
Federal Sponsored Programs	57,025,147	56,863,782	64,995,026	8,131,244	14.3%
State Sponsored Programs	22,962,578	29,788,699	34,163,864	4,375,165	14.7%
Local and Private Sponsored Programs	4,745,035	5,800,005	6,052,854	252,849	4.4%
Net Sales and Services of Educational Activities	4,473,242	5,825,097	2,833,059	(2,992,038)	-51.4%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	39,305,121	43,517,327	50,507,670	6,990,343	16.1%
Other Operating Revenues	50,735	20,000	20,000	-	0.0%
Total Operating Revenues	277,433,045	287,705,027	306,765,365	19,060,338	6.6%
Operating Expenses:					
Compensation - Faculty	99,211,670	95,679,795	97,847,304	2,167,509	2.3%
Compensation - Non-Faculty	92,125,122	105,255,293	114,654,146	9,398,853	8.9%
Wages	17,091,086	15,713,226	15,475,114	(238,112)	-1.5%
Benefits	60,425,279	61,241,415	64,503,048	3,261,633	5.3%
Personnel Costs	268,853,157	277,889,729	292,479,612	14,589,883	5.3%
Utilities	9,598,691	9,598,691	9,633,535	34,844	0.4%
Scholarships and Fellowships	159,075,428	150,825,905	135,878,300	(14,947,605)	-9.9%
Less Discounts and Allowances	(57,894,350)	(58,152,005)	(57,910,569)	241,436	-0.4%
Operations, Maintenance and Travel	110,824,786	142,183,837	129,605,662	(12,578,175)	-8.8%
Less Capitalized Portion and Cap Lease/SBITA	(9,155,067)	(5,248,107)	(8,148,523)	(2,900,416)	55.3%
Depreciation and Amortization	34,565,507	34,772,617	35,078,928	306,311	0.9%
Total Operating Expenses	515,868,152	551,870,667	536,616,945	(15,253,722)	-2.8%
Operating Surplus/Deficit	(238,435,107)	(264,165,640)	(229,851,580)	34,314,060	-13.0%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	106,679,754	106,064,144	106,959,454	895,310	0.8%
Federal Sponsored Programs (Nonoperating)	112,560,531	117,324,948	90,781,678	(26,543,270)	-22.6%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	10,958,220	7,267,500	9,000,000	1,732,500	23.8%
Net Investment Income	19,075,052	15,237,000	17,444,000	2,207,000	14.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	249,273,557	245,893,592	224,185,132	(21,708,460)	-8.8%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	452,099	578,086	452,100	(125,986)	-21.8%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(6,009,258)	(6,310,280)	(6,278,830)	31,450	-0.5%
Total Transfers and Other	(5,557,159)	(5,732,194)	(5,826,730)	(94,536)	1.6%
Budget Margin (Deficit)	5,281,291	(24,004,242)	(11,493,178)	12,511,064	-52.1%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(38,279,011)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	25,722	-	-	-	-
Additions to Permanent Endowments	14,083,000	3,160,000	7,042,000	3,882,000	122.8%
Transfers for Debt Service - Principal	-	-	(9,238,000)	(9,238,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	8,011,641	25,490,756	24,364,770	(1,125,986)	-4.4%
SRECNP Change in Net Position	\$ (10,877,357)	4,646,514	10,675,592	6,029,078	129.8%
Total Revenues and AUF/Approp Transfers	\$ 527,158,701	534,176,705	531,402,597	(2,774,108)	-0.5%
Total Expenses (Including Transfers for Interest)	(521,877,410)	(558,180,947)	(542,895,775)	15,285,172	-2.7%
Budget Margin (Deficit)	\$ 5,281,291	(24,004,242)	(11,493,178)	12,511,064	
Reconciliation to Use of Prior Year Balances					
Depreciation		34,772,617	35,078,928		
Capital Outlay		(5,075,574)	(7,794,322)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(161,667)	(9,573,219)		
Budgeted Transfers		39,000	49,000		
Net Additions to (Uses of) Prior Year Balances		5,570,134	6,267,209		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 118,400,451	131,163,062	129,534,249	(1,628,813)	-1.2%
Academic Support	27,530,511	31,964,093	38,710,175	6,746,082	21.1%
Research	96,019,878	102,649,366	104,270,056	1,620,690	1.6%
Public Service	11,599,394	7,150,055	10,237,181	3,087,126	43.2%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	32,391,668	47,691,825	33,192,984	(14,498,841)	-30.4%
Student Services	28,830,028	22,630,479	28,515,265	5,884,786	26.0%
Operations and Maintenance of Plant	29,551,982	35,012,539	38,373,692	3,361,153	9.6%
Scholarships and Fellowships	95,731,096	80,033,262	59,379,615	(20,653,647)	-25.8%
Auxiliary Enterprises	41,247,637	58,803,369	59,324,800	521,431	0.9%
Depreciation and Amortization	34,565,507	34,772,617	35,078,928	306,311	0.9%
Total Operating Expenses	\$ 515,868,152	551,870,667	536,616,945	(15,253,722)	-2.8%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 211,875,876	210,898,304	(977,572)	-0.5%
Designated	122,410,108	131,430,977	9,020,869	7.4%
Auxiliary	60,490,320	65,901,430	5,411,110	8.9%
Available University Fund	-	-	-	-
Restricted	190,021,272	172,864,246	(17,157,026)	-9.0%
Unexpended Plant	2,000,000	2,000,000	-	0.0%
Subtotal - Expenditures (All Funds)	586,797,576	583,094,957	(3,702,619)	-0.6%
Reconciling Adjustments:				
Tuition Discounting	(58,152,005)	(57,910,569)	241,436	-0.4%
Depreciation	34,772,617	35,078,928	306,311	0.9%
Capital Outlay	(5,075,574)	(7,794,322)	(2,718,748)	53.6%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(161,667)	(9,573,219)	(9,411,552)	5821.6%
Total Expenses (Including Transfers for Interest)	\$ 558,180,947	542,895,775	(15,285,172)	-2.7%

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, 2023**

Introduction - Major Goals Addressed by FY 2023 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 adopted four strategic pillars in its 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 and staff to maintain excellence in all areas.

The FY 2022 operating budget anticipated enrollment declines from the previous year of two percent with actual enrollment declines for FY 2022 being slightly more than projected. While this has resulted in lower actual revenues in FY 2022 as well as lower initial projections for FY 2023, all enrollment indicators are currently strong and are expected to result in increased enrollment for FY 2023. Serving the region will require the University to 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. In February 2022, the University received a \$10.7 million gift from the Permian Strategic Partnership to support Nursing and Pre-Med Expansion. This gift will significantly support U. T. Permian Basin's ability to meet these needs. Promise Plus program funds provided by U. T. System will have a significant impact on the ability to attract new students as well. The FY 2023 budget includes funding for these initiatives.

Another major goal of the strategic plan is to promote responsible stewardship of resources. U.T. Permian Basin continues to strengthen its financial base with positive trends in all ratios. The conservative approach to developing the FY 2023 budget will continue this effort. The University continues to work with U. T. System to develop and implement a long-range financial plan designed to provide a tool for strategic planning and to help strengthen the financial position of the University. Higher Education Emergency Relief Fund (HEERF) funding received has been utilized strategically within established guidelines in support of students and ongoing services. This has allowed the University to leverage overall funding. Finally, the University has successfully recruited talented individuals in several high impact areas who are significantly impacting operations.

Revenues

Total budgeted revenue for FY 2023 is approximately \$94.2 million, a decrease of \$8.8 million from the FY 2022 budget or 8.5 percent. This decrease in the overall revenue budget over the prior year is attributable to the net effect of the decrease in projected enrollment, the transfer of the STEM Academy to the local school district, a decrease in federal HEERF offset by an estimated increase in housing revenues, an increase in general revenue funding, and an increase in grant and gift funds. Enrollment is projected at 100 percent of the actual enrollment experienced in 2022. Housing rates are increased by 2 percent and food service rates are increased by 4 percent for FY 2023. Grant funds include remaining HEERF allocations. Resident undergraduate and graduate tuition and fee rates were not increased for FY 2023.

Expenses

Total budgeted expenses for FY2023 are \$110.6 million, a decrease of \$7.4 million or 6.3 percent from budgeted FY 2022. For FY 2023, no funds are budgeted for merit increases. In accordance with U. T. System accounting policies, all revenue from the Permian Strategic Partnership gift have been recorded in FY 2022. The second year of related expenses of \$1.56 million are budgeted in FY 2023 out of balances derived from this gift. Overall transfers for debt service are increasing by \$3.8 million. While principal payments were deferred for FY 2021 and FY 2022 on all revenue financing system bonds except student activity center bonds, these payments return for FY 2023 and are budgeted. Debt service related to revenue financing system bonds for the Kinesiology Building (\$1.5 million) is covered by gifts on hand.

**The University of Texas Permian Basin
Operating Budget
Fiscal Year Ending August 31, 2023**

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 43,205,147	43,820,631	42,772,008	(1,048,623)	-2.4%
Less Discounts and Allowances	(11,868,762)	(9,500,000)	(13,092,883)	(3,592,883)	37.8%
Federal Sponsored Programs	3,941,861	1,496,197	2,794,707	1,298,510	86.8%
State Sponsored Programs	11,679,738	9,358,429	6,973,507	(2,384,922)	-25.5%
Local and Private Sponsored Programs	2,196,493	4,597,269	4,120,315	(476,954)	-10.4%
Net Sales and Services of Educational Activities	2,233,703	-	-	-	-
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	6,588,617	9,884,665	9,498,000	(386,665)	-3.9%
Other Operating Revenues	285,099	99,400	2,278,243	2,178,843	2192.0%
Total Operating Revenues	58,261,896	59,756,591	55,343,897	(4,412,694)	-7.4%
Operating Expenses:					
Compensation - Faculty	21,083,680	21,135,523	16,005,970	(5,129,553)	-24.3%
Compensation - Non-Faculty	23,375,384	22,477,483	26,955,502	4,478,019	19.9%
Wages	1,375,022	1,570,915	1,258,983	(311,932)	-19.9%
Benefits	12,657,765	10,996,857	11,348,409	351,552	3.2%
Personnel Costs	58,491,851	56,180,778	55,568,864	(611,914)	-1.1%
Utilities	2,752,428	1,390,000	3,515,000	2,125,000	152.9%
Scholarships and Fellowships	24,209,160	17,008,389	22,322,249	5,313,860	31.2%
Less Discounts and Allowances	(11,372,999)	(9,500,000)	(13,092,883)	(3,592,883)	37.8%
Operations, Maintenance and Travel	30,247,390	29,225,408	18,483,866	(10,741,542)	-36.8%
Less Capitalized Portion and Cap Lease/SBITA	(4,794,960)	(622,145)	(1,109,131)	(486,986)	78.3%
Depreciation and Amortization	20,843,064	20,800,000	21,256,856	456,856	2.2%
Total Operating Expenses	120,375,934	114,482,430	106,944,821	(7,537,609)	-6.6%
Operating Surplus/Deficit	(62,114,038)	(54,725,839)	(51,600,924)	3,124,915	-5.7%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	25,065,835	25,788,310	25,947,934	159,624	0.6%
Federal Sponsored Programs (Nonoperating)	10,166,050	12,572,419	5,637,337	(6,935,082)	-55.2%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	14,969,176	1,698,500	2,993,500	1,295,000	76.2%
Net Investment Income	3,414,862	3,037,195	4,135,638	1,098,443	36.2%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	53,615,923	43,096,424	38,714,409	(4,382,015)	-10.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	93,159	109,481	16,322	17.5%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(3,567,353)	(3,567,453)	(3,671,698)	(104,245)	2.9%
Total Transfers and Other	(3,567,353)	(3,474,294)	(3,562,217)	(87,923)	2.5%
Budget Margin (Deficit)	(12,065,468)	(15,103,709)	(16,448,732)	(1,345,023)	8.9%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	-	-	-	-	-
Interest Expense on Capital Asset Financings	(300)	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	-	450,000	500,000	50,000	11.1%
Transfers for Debt Service - Principal	(601,671)	(580,000)	(4,301,000)	(3,721,000)	641.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	2,338,096	6,460,000	3,898,018	(2,561,982)	-39.7%
SRECNP Change in Net Position	\$ (10,329,343)	(8,773,709)	(16,351,714)	(7,578,005)	86.4%
Total Revenues and AUF/Approp Transfers	\$ 111,877,819	102,946,174	94,167,787	(8,778,387)	-8.5%
Total Expenses (Including Transfers for Interest)	(123,943,287)	(118,049,883)	(110,616,519)	7,433,364	-6.3%
Budget Margin (Deficit)	\$ (12,065,468)	(15,103,709)	(16,448,732)	(1,345,023)	
Reconciliation to Use of Prior Year Balances					
Depreciation		20,800,000	21,256,856		
Capital Outlay		(600,000)	(797,350)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(601,762)	(4,612,035)		
Budgeted Transfers		137,393	-		
Net Additions to (Uses of) Prior Year Balances		4,631,922	(601,261)		

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, 2023**

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 36,353,532	39,684,383	32,767,537	(6,916,846)	-17.4%
Academic Support	7,463,308	7,350,659	8,495,800	1,145,141	15.6%
Research	3,009,398	3,513,619	2,331,246	(1,182,373)	-33.7%
Public Service	4,092,782	2,104,523	1,644,716	(459,807)	-21.8%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	12,037,593	17,229,361	12,228,508	(5,000,853)	-29.0%
Student Services	3,490,902	3,304,693	3,405,522	100,829	3.1%
Operations and Maintenance of Plant	10,378,368	7,084,267	9,994,218	2,909,951	41.1%
Scholarships and Fellowships	12,836,161	5,710,441	7,196,356	1,485,915	26.0%
Auxiliary Enterprises	9,870,826	7,700,484	7,624,062	(76,422)	-1.0%
Depreciation and Amortization	20,843,064	20,800,000	21,256,856	456,856	2.2%
Total Operating Expenses	\$ 120,375,934	114,482,430	106,944,821	(7,537,609)	-6.6%

**Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023**

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 33,891,683	36,202,673	2,310,990	6.8%
Designated	39,405,580	37,181,169	(2,224,411)	-5.6%
Auxiliary	12,689,538	15,230,452	2,540,914	20.0%
Available University Fund	-	-	-	-
Restricted	21,914,844	19,197,637	(2,717,207)	-12.4%
Unexpended Plant	50,000	50,000	-	0.0%
Subtotal - Expenditures (All Funds)	107,951,645	107,861,931	(89,714)	-0.1%
Reconciling Adjustments:				
Tuition Discounting	(9,500,000)	(13,092,883)	(3,592,883)	37.8%
Depreciation	20,800,000	21,256,856	456,856	2.2%
Capital Outlay	(600,000)	(797,350)	(197,350)	32.9%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(601,762)	(4,612,035)	(4,010,273)	666.4%
Total Expenses (Including Transfers for Interest)	\$ 118,049,883	110,616,519	(7,433,364)	-6.3%

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, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

With the FY 2023 operating budget, The University of Texas Rio Grande Valley will be entering its eighth year of operations and seeks additional gains in enrollment growth by continuing to invest in students, faculty, and staff. Although the FY 2023 budget was built with a flat growth assumption, early indicators for the coming Fall 2022 enrollment are promising. The University will also continue its commitment to affordability to sustain its reputation as one of the top value schools nationwide. During the past few challenging years, the University has implemented cost savings measures to set aside funds to help navigate through these difficult times. These savings, along with other reserves, will be strategically deployed to address major goals in FY 2023.

First, the University remains committed to helping students achieve their educational aspirations and easing financial burdens. This includes increasing student wages and bolstering student success efforts. Second, to expand educational opportunities and impactful research, U. T. Rio Grande Valley is nurturing the development of several academic programs. These additions are mostly in health-related fields and are critical for addressing inequities in healthcare access and outcomes in this underserved region. Importantly, the University is enrolling its first class in the new School of Podiatric Medicine, the first in Texas and one of only ten nationwide. Finally, the University will be utilizing additional resources from cost savings to continue to address merit and market pay issues for both faculty and staff with a target of achieving an average of 25th percentile of market rates. For staff employees, this is the second year of a two-year adjustment plan and will help retain those employees most impacted by inflation in daily living expenses.

Revenue

Gross tuition and fee revenues are estimated to increase by \$6.4 million due to the transition of students in expiring guaranteed tuition plans to higher existing rates. However, there will be no tuition or mandatory fee increases for newly enrolled students. Therefore, students entering Fall 2022 will pay the same rates as students who entered Fall 2021. As the University mandates participation in guaranteed tuition plans, holding tuition flat for new students for four years will be challenging during this time of inflation, especially as the University continues to promote affordability with one of the lowest academic costs in the state.

Appropriations are increasing slightly by \$0.5 million due to increased state reimbursement for benefits. Included in federal sponsored programs is \$3.8 million for five new awards from the Upper Bound Math and Science Program. The \$62.2 million decrease in nonoperating federal sponsored programs is due to exhaustion of \$63.7 million in Higher Education Emergency Relief Fund (HEERF) resources and is partially offset with \$2.0 million from Comprehensive Regional University At-Risk Funding. Appropriation transfers include \$0.4 million to support the Multi-institutional Center in Laredo. Increases in net investment income include an additional \$5.3 million in quasi-endowment earnings distributions from the Promise Plus program and the Scott-Jewett gift received in FY 2021, the latter used to fund Luminary Scholars. The ongoing growth of the medical school practice plans is indicated by the \$3.6 million increase in net professional fees. Finally, the \$0.7 million increase in auxiliary revenues is indicative of a return to pre-pandemic levels.

Expenses

Total expenses are projected at \$687.1 million inclusive of noncash adjustments such as depreciation. A total of \$10.4 million is budgeted for new program development. Special emphasis is on health-related programs, including \$3.5 million for the School of Podiatric Medicine, \$0.5 million for the Doctor of Nursing Practice, and \$0.6 million for the Doctor of Occupational Therapy. In addition, \$0.9 million was added for new PhD programs in Human Genetics and Physics. The University is also making investments in student success initiatives including \$1.0 million for Peer-Led Team Learning, \$0.6 million in JumpStart, \$0.2 million in student retention initiatives, and \$0.5 million for secondary educational collaborations.

Scholarships, before discounts, are projected at \$202.3 million, including \$94.0 million in Pell Grants, \$45.1 million in TEXAS Grants, \$1.0 million in Luminary Scholars, and \$3.75 million for the Promise Plus program which will help support the guarantee of no out-of-pocket tuition and fee cost for families with incomes of \$125,000 or less. An additional \$1.1 million in financial aid is funded by tuition set-asides. Also included is \$9.1 million for exemptions, of which \$6.7 million is estimated for Hazlewood recipients. However, overall scholarships, net of discounts, are decreased \$20.6 million due to the exhaustion of HEERF funding available for student grants.

Critical labor investments include \$1.9 million for new faculty, \$0.5 million for faculty promotions, \$4.0 million for faculty and staff merit, \$3.5 million for staff market adjustments, and \$1.4 million to increase the minimum wage for students to \$12 per hour. An additional \$7.6 million is budgeted for fringe benefits including increases in employee group insurance premiums.

**The University of Texas Rio Grande Valley
Operating Budget
Fiscal Year Ending August 31, 2023**

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 271,425,329	282,180,469	288,600,731	6,420,262	2.3%
Less Discounts and Allowances	(124,316,634)	(152,297,100)	(137,058,100)	15,239,000	-10.0%
Federal Sponsored Programs	41,498,290	46,775,011	47,914,048	1,139,037	2.4%
State Sponsored Programs	58,085,839	56,636,225	61,406,253	4,770,028	8.4%
Local and Private Sponsored Programs	53,706,341	46,080,791	40,213,281	(5,867,510)	-12.7%
Net Sales and Services of Educational Activities	7,643,913	4,994,196	6,511,664	1,517,468	30.4%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	19,599,063	21,591,868	25,169,578	3,577,710	16.6%
Net Auxiliary Enterprises	9,661,062	9,661,062	10,352,959	691,897	7.2%
Other Operating Revenues	17,878,662	17,186,632	15,016,281	(2,170,351)	-12.6%
Total Operating Revenues	355,181,865	332,809,154	358,126,695	25,317,541	7.6%
Operating Expenses:					
Compensation - Faculty	137,094,611	144,789,840	146,543,709	1,753,869	1.2%
Compensation - Non-Faculty	142,152,183	163,536,583	170,046,447	6,509,864	4.0%
Wages	33,368,701	24,148,365	28,109,884	3,961,519	16.4%
Benefits	92,627,649	95,707,710	103,329,143	7,621,433	8.0%
Personnel Costs	405,243,144	428,182,498	448,029,183	19,846,685	4.6%
Utilities	10,001,443	10,906,259	10,904,820	(1,439)	0.0%
Scholarships and Fellowships	229,038,400	238,120,713	202,310,551	(35,810,162)	-15.0%
Less Discounts and Allowances	(124,316,634)	(152,297,100)	(137,058,100)	15,239,000	-10.0%
Operations, Maintenance and Travel	126,719,412	119,281,776	115,795,295	(3,486,481)	-2.9%
Less Capitalized Portion and Cap Lease/SBITA	(16,600,000)	(14,236,192)	(17,245,825)	(3,009,633)	-21.1%
Depreciation and Amortization	58,892,660	59,319,616	61,927,982	2,608,366	4.4%
Total Operating Expenses	688,978,425	689,277,570	684,663,906	(4,613,664)	-0.7%
Operating Surplus/Deficit	(333,796,560)	(356,468,416)	(326,537,211)	29,931,205	-8.4%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	156,269,808	156,275,106	156,743,589	468,483	0.3%
Federal Sponsored Programs (Nonoperating)	159,466,591	158,199,792	96,028,592	(62,171,200)	-39.3%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	4,606,850	4,606,850	4,586,482	(20,368)	-0.4%
Net Investment Income	9,179,000	8,281,746	17,005,738	8,723,992	105.3%
Other Non-Operating Revenue	3,860,000	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	333,382,249	327,363,494	274,364,401	(52,999,093)	-16.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	5,559,934	5,679,873	6,105,962	426,089	7.5%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(2,169,851)	(2,320,869)	(2,409,353)	(88,484)	3.8%
Total Transfers and Other	3,390,083	3,359,004	3,696,609	337,605	10.1%
Budget Margin (Deficit)	2,975,772	(25,745,918)	(48,476,201)	(22,730,283)	88.3%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(18,405,503)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	841,400	370,000	(471,400)	-56.0%
Additions to Permanent Endowments	6,700,000	1,922,800	1,850,000	(72,800)	-3.8%
Transfers for Debt Service - Principal	(4,367,000)	(4,849,000)	(5,750,000)	(901,000)	18.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	11,995,921	44,716,928	90,601,035	45,884,107	102.6%
SRECNP Change in Net Position	\$ (1,100,810)	16,886,210	38,594,834	21,708,624	128.6%
Total Revenues and AUF/Approp Transfers	\$ 694,124,048	665,852,521	638,597,058	(27,255,463)	-4.1%
Total Expenses (Including Transfers for Interest)	(691,148,276)	(691,598,439)	(687,073,259)	4,525,180	-0.7%
Budget Margin (Deficit)	\$ 2,975,772	(25,745,918)	(48,476,201)	(22,730,283)	
Reconciliation to Use of Prior Year Balances					
Depreciation		59,319,616	61,927,982		
Capital Outlay		(11,430,000)	(11,773,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(7,518,160)	(10,981,792)		
Budgeted Transfers		89,837	(553,533)		
Net Additions to (Uses of) Prior Year Balances		14,715,375	(9,856,544)		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 186,983,782	201,090,025	214,124,304	13,034,279	6.5%
Academic Support	75,703,173	82,411,059	85,630,669	3,219,610	3.9%
Research	47,273,276	50,961,578	49,446,956	(1,514,622)	-3.0%
Public Service	11,149,978	18,161,707	14,453,872	(3,707,835)	-20.4%
Hospitals and Clinics	50,718,452	52,609,828	47,321,918	(5,287,910)	-10.1%
Institutional Support	44,039,716	31,606,105	34,697,192	3,091,087	9.8%
Student Services	41,156,089	37,864,428	37,642,384	(222,044)	-0.6%
Operations and Maintenance of Plant	38,786,018	39,373,642	39,045,022	(328,620)	-0.8%
Scholarships and Fellowships	103,387,395	83,391,597	66,317,440	(17,074,157)	-20.5%
Auxiliary Enterprises	30,887,886	32,487,985	34,056,167	1,568,182	4.8%
Depreciation and Amortization	58,892,660	59,319,616	61,927,982	2,608,366	4.4%
Total Operating Expenses	\$ 688,978,425	689,277,570	684,663,906	(4,613,664)	-0.7%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 267,056,474	275,135,913	8,079,439	3.0%
Designated	276,998,112	309,951,213	32,953,101	11.9%
Auxiliary	36,429,880	37,389,032	959,152	2.6%
Available University Fund	-	-	-	-
Restricted	222,671,183	162,082,011	(60,589,172)	-27.2%
Unexpended Plant	368,434	400,000	31,566	8.6%
Subtotal - Expenditures (All Funds)	803,524,083	784,958,169	(18,565,914)	-2.3%
Reconciling Adjustments:				
Tuition Discounting	(152,297,100)	(137,058,100)	15,239,000	-10.0%
Depreciation	59,319,616	61,927,982	2,608,366	4.4%
Capital Outlay	(11,430,000)	(11,773,000)	(343,000)	3.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(7,518,160)	(10,981,792)	(3,463,632)	46.1%
Total Expenses (Including Transfers for Interest)	\$ 691,598,439	687,073,259	(4,525,180)	-0.7%

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, 2023

Introduction - Major Goals Addressed by FY 2023 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: model for student success, great public research university, and exemplar for strategic growth and innovative excellence. U. T. San Antonio met one of its primary goals when recognized as a R1 Classification, under the Carnegie Classifications of Institutions of Higher Ed, and by achieving National Research University Fund eligibility. U. T. San Antonio's current institutional investment priorities surround the recent acquisition of the Southwest School of Art and the collaboration with U. T. Health Science Center - San Antonio to establish a School of Public Health. The partnership with the Southwest School of Art provides a natural expansion of academic and community fine art programs, while also offering expanded opportunities to the U. T. San Antonio community. The partnership with U. T. Health Science Center - San Antonio is dedicated to meeting the strong demand for public health education in San Antonio and to develop the next generation of public health professionals. The two U. T. System institutions are federally designated Hispanic Serving Institutions with the knowledge and expertise to meet the unique health needs of the region's diverse population.

The IRM model aligns resources with institutional priorities while still providing greater decision-making authority within the academic colleges and other revenue units. The nature of the model promotes a collaborative approach to budgeting with ongoing discussions with Deans, university leadership, and governance groups throughout the year, providing greater transparency into university cost and decisions. The University plans to refresh its strategic plan and is engaged in activity 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 Downtown campus corridor and the Park West campus; and expanded opportunities brought through a move to the American Athletics Conference. The University implemented successful operational efficiencies, including the following: a decrease to overall administrative cost measures, from 7.9 percent in FY 2020 to 7.6 percent in FY 2021; continued efforts to improve and expand telecommuting options for operational areas, freeing up space for mission-critical use; and the second annual committee-driven operational review process as part of the incentivized budget model.

FY 2023 budget investments include faculty start-up funds to continue to attract new research faculty, seed funding for the Southwest School of Art, including new faculty and staff positions, and initial year funds for the establishment of the School of Public Health. The areas to watch as the University moves forward, include: uncertainty related to tuition and fee increases; transfer enrollment affected by decreases in community college enrollment; the "enrollment cliff" predicting demographic declines in students entering college; planning for student financial support in FY 2023 and forward without federal stimulus; and continued impacts of the under-funded Hazlewood exemption. As U. T. San Antonio creates its long-range financial plan, all of these strategic initiatives and watch factors will be considered in building the financial model for the future.

Revenue

The FY 2023 budget includes a revenue decrease of \$3.8 million in tuition that is offset by a \$2.2 million increase in fees, as a result of approved fee increases. Discounts and allowances are increasing by \$510,000. Therefore, net tuition and fee decrease is estimated at \$1.1 million. This estimation is based on a projected 0.9 percent enrollment decline. Sponsored program funding saw a decrease of \$1.7 million in addition to a \$55 million reduction in federal stimulus funding from the Higher Education Emergency Relief Fund (HEERF). In FY 2022, the University received \$77 million HEERF funding for the primary use of providing financial support to students and capital technology improvements and in FY 2023 this funding amount decreased to \$22 million. TEXAS Grant funding increases of \$2.4 million are included in the state portion of the sponsored funding. Federal Pell Grant sponsored program is budgeted at \$1 million higher than the FY 2022 level. As the University reopens, net sales and service and other revenues sources, including auxiliary areas, are increasing closer to pre-COVID-19 pandemic levels, netting the University increased revenues of \$13.5 million

Expenses

The University continues to provide financial support for students including one-time funding from HEERF of \$5.5 million and \$5.9 million in permanent set-asides. The University's student fee funded areas benefited from rate increases in learning resource fees and technology service fees, resulting in budget increases to these areas. These increases will allow those areas to immediately address their ability to support service levels for current students. The University's annual operating budget includes increases in the areas of facility costs for new and existing buildings, utilities, state group insurance, employer share of Texas Retirement System, debt service (FY 2022 was the final year of principal deferral), depreciation for new buildings, and strategic expenditures in various other administrative areas. The University did not plan for a merit increase in FY 2023. The University continues to incentivize strategic planning by each college and through the IRM budget model budget allocations are done through a collaborative process. For FY 2023 some college investments 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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 375,038,955	355,780,200	354,150,559	(1,629,641)	-0.5%
Less Discounts and Allowances	(116,262,076)	(111,359,200)	(110,849,100)	510,100	-0.5%
Federal Sponsored Programs	63,046,967	75,899,100	69,587,200	(6,311,900)	-8.3%
State Sponsored Programs	34,784,534	26,421,293	30,037,955	3,616,662	13.7%
Local and Private Sponsored Programs	10,870,167	7,687,500	8,661,800	974,300	12.7%
Net Sales and Services of Educational Activities	11,614,732	10,272,699	14,273,400	4,000,701	38.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	48,628,603	42,824,500	52,553,507	9,729,007	22.7%
Other Operating Revenues	2,838,574	1,914,500	1,680,400	(234,100)	-12.2%
Total Operating Revenues	430,560,456	409,440,592	420,095,721	10,655,129	2.6%
Operating Expenses:					
Compensation - Faculty	124,906,599	127,548,106	128,752,555	1,204,449	0.9%
Compensation - Non-Faculty	160,671,912	154,725,535	162,335,358	7,609,823	4.9%
Wages	11,189,260	13,458,830	13,485,116	26,286	0.2%
Benefits	82,502,618	92,031,002	92,973,143	942,141	1.0%
Personnel Costs	379,270,389	387,763,473	397,546,172	9,782,699	2.5%
Utilities	16,600,000	14,701,549	15,480,957	779,408	5.3%
Scholarships and Fellowships	219,453,244	197,077,410	179,565,494	(17,511,916)	-8.9%
Less Discounts and Allowances	(116,262,076)	(111,359,200)	(110,849,100)	510,100	-0.5%
Operations, Maintenance and Travel	187,501,005	202,545,761	192,501,432	(10,044,329)	-5.0%
Less Capitalized Portion and Cap Lease/SBITA	(49,322,509)	(49,017,437)	(29,998,230)	(980,793)	3.4%
Depreciation and Amortization	65,610,219	60,317,211	72,747,200	12,429,989	20.6%
Total Operating Expenses	702,850,272	722,028,767	716,993,925	(5,034,842)	-0.7%
Operating Surplus/Deficit	(272,289,816)	(312,588,175)	(296,898,204)	15,689,971	-5.0%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	152,359,051	145,056,350	147,208,199	2,151,849	1.5%
Federal Sponsored Programs (Nonoperating)	122,370,432	143,109,000	89,313,292	(53,795,708)	-37.6%
State/Local Sponsored Programs (Nonoperating)	975,000	825,000	634,217	(190,783)	-23.1%
Gifts in Support of Operations	45,000,000	7,247,850	7,500,000	252,150	3.5%
Net Investment Income	24,531,563	17,148,500	20,116,500	2,968,000	17.3%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	345,236,046	313,386,700	264,772,208	(48,614,492)	-15.5%
Transfers and Other:					
AUF/Approp Received for Operations	-	1,593,140	7,386,375	5,793,235	363.6%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(10,289,780)	(9,419,483)	(11,170,850)	(1,751,367)	18.6%
Total Transfers and Other	(10,289,780)	(7,826,343)	(3,784,475)	4,041,868	-51.6%
Budget Margin (Deficit)	62,656,450	(7,027,818)	(35,910,471)	(28,882,653)	411.0%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(55,043,891)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	2,089,387	8,820,500	9,605,813	785,313	8.9%
Additions to Permanent Endowments	3,375,913	2,602,600	3,263,513	660,913	25.4%
Transfers for Debt Service - Principal	(1,701,000)	(1,701,000)	(12,881,000)	(11,180,000)	657.3%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	34,695,486	28,670,900	60,025,851	31,354,951	109.4%
SRECNP Change in Net Position	\$ 46,072,345	31,365,182	24,103,706	(7,261,476)	-23.2%
Total Revenues and AUF/Approp Transfers	\$ 775,796,502	724,420,432	692,254,304	(32,166,128)	-4.4%
Total Expenses (Including Transfers for Interest)	(713,140,052)	(731,448,250)	(728,164,775)	3,283,475	-0.4%
Budget Margin (Deficit)	\$ 62,656,450	(7,027,818)	(35,910,471)	(28,882,653)	
Reconciliation to Use of Prior Year Balances					
Depreciation		60,317,211	72,747,200		
Capital Outlay		(28,401,937)	(27,954,900)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(2,265,900)	(14,869,180)		
Budgeted Transfers		(825,000)	(634,217)		
Net Additions to (Uses of) Prior Year Balances		21,796,556	(6,621,568)		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 154,196,993	154,678,228	150,730,001	(3,948,227)	-2.6%
Academic Support	94,736,340	83,182,479	94,985,644	11,803,165	14.2%
Research	136,121,263	116,415,890	104,069,166	(12,346,724)	-10.6%
Public Service	16,232,723	18,113,368	15,255,585	(2,857,783)	-15.8%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	75,945,584	59,568,447	60,043,926	475,479	0.8%
Student Services	38,804,197	31,349,277	35,921,901	4,572,624	14.6%
Operations and Maintenance of Plant	58,382,929	45,772,602	51,343,630	5,571,028	12.2%
Scholarships and Fellowships	46,155,053	88,388,551	69,364,906	(19,023,645)	-21.5%
Auxiliary Enterprises	81,588,720	64,242,714	62,531,966	(1,710,748)	-2.7%
Depreciation and Amortization	686,470	60,317,211	72,747,200	12,429,989	20.6%
Total Operating Expenses	\$ 702,850,272	722,028,767	716,993,925	(5,034,842)	-0.7%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 281,130,712	299,509,500	18,378,788	6.5%
Designated	236,294,094	234,737,481	(1,556,613)	-0.7%
Auxiliary	79,977,620	90,783,882	10,806,262	13.5%
Available University Fund	-	-	-	-
Restricted	211,178,650	179,482,892	(31,695,758)	-15.0%
Unexpended Plant	4,577,000	4,577,000	-	0.0%
Subtotal - Expenditures (All Funds)	813,158,076	809,090,755	(4,067,321)	-0.5%
Reconciling Adjustments:				
Tuition Discounting	(111,359,200)	(110,849,100)	510,100	-0.5%
Depreciation	60,317,211	72,747,200	12,429,989	20.6%
Capital Outlay	(28,401,937)	(27,954,900)	447,037	-1.6%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(2,265,900)	(14,869,180)	(12,603,280)	556.2%
Total Expenses (Including Transfers for Interest)	\$ 731,448,250	728,164,775	(3,283,475)	-0.4%

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, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The FY 2023 budget reflects The University of Texas at Tyler's newly aligned strategic goals of enriching the student experience, advance teaching and research excellence, collaborate in service to the community, and ensure sustainability while fostering accountability. 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, the FY 2023 budget continues to support an investment in the University's highest priority strategic initiatives, including investing in a more robust University infrastructure following the alignment with U. T. Health Science Center – Tyler.

The FY 2023 budget funds not only the strategic initiatives of the academic campus, but also the actions necessary to support the integration of two campuses under common leadership, address an increasingly competitive labor market, anticipate inflationary impact on contract renewals, and reduce enrollment declines in the Fisch College of Pharmacy (FCOP).

Revenue

U. T. Tyler's FY 2023 revenue budget totals \$161.4 million and is relatively flat compared to the prior year's total revenue budget (down \$443,000). While the University experienced a slight (2.5 percent) decrease in enrollment during FY 2022, FY 2023 admissions data indicate an improvement for FY 2023. Overall, FY 2023 enrollment is projected to recover to FY 2021 levels. However, the FCOP self-funded program is projecting a 23 percent decline in enrollment, in alignment with national trends.

The proposed operating budget reflects a slight (\$200,000) reduction in State-appropriated General Revenue. The \$200,000 received in FY 2022 was one-time funding in support of a traffic safety project at the Palestine campus, which was successfully completed in Spring 2022. Sponsored program revenue is up 18 percent (\$2.9 million) due to federal sponsored grant activity increases and improving revenue and expense projection techniques. The aforementioned FCOP enrollment decline, and a new tuition reduction benefit program designed to offer students more competitive rates, is expected to result in a 44 percent (\$4.5 million) reduction in Net Sales and Services of Educational Activities. Reductions in variable FCOP expenses are proposed, where possible. FCOP reserve balances will be utilized for additional support.

A 12 percent (\$1.2 million) increase is expected in auxiliary enterprise revenue as venues such as the Cowan Center and Discovery Science Place, as well as Housing and Meal Plan operations return to normal activity levels. Other operating revenues are up \$684,000 or 90 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. These services will expand in FY 2023 to include sharing of Marketing and Advancement services. Operating Gift revenue is expected to increase 37 percent or \$379,000 the newly aligned University renews its focus on actively expanding its donor base during the upcoming year. A 17 percent (\$1.2 million) increase in net investment income is expected, primarily due to the generous Promise Plus program award received from the U. T. System. Finally, a reduction is expected in Nonexchange Revenue, as remaining Higher Education Emergency Relief Funds (HEERF) are used.

Expenses

Total expenses, including transfers for interest, are budgeted at \$178.1 million, a slight (\$698,000) decrease from the prior year's budget. The FY 2023 budget includes new investments centered in the University's highest strategic priorities: student engagement and student success as well as research. A total of \$759,000 has been invested in new faculty lines in support of new and growing academic programs. An additional \$595,000 has been invested in new staff lines supporting key strategic areas such as student support, marketing, and advancement operations. An increase of \$2.8 million is proposed to bring base pay up to minimum market levels and add an additional 3 percent base pay increase for employees in positions below assistant vice president. An additional \$233,000 will be allocated to faculty tenure and promotion changes. A related 7 percent increase in benefits (\$1.6 million) is expected, based on the proposed increased salaries and increased employer health care costs. An additional \$575,000 is included for anticipated inflationary impact on contract renewals. These increases are offset by temporary budget reductions, including freezing vacant non-essential faculty and staff lines (\$2.7 million), plus benefits (\$800,000), reducing discretionary maintenance and operations expense (\$1 million) and scaling back tuition reduction programs for some mature, online graduate programs (\$300,000). Net scholarship expense is down by \$2 million, the result of an additional \$1 million in U. T. Promise Plus program funds, \$300,000 in athletic scholarships (fourth cohort), a \$2 million reduction in the Presidential Fellows scholarship program as the cohort is completely "right-sized," and an expected \$2 million reduction in HEERF-supported grant aid.

The University of Texas at Tyler (Academic)
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 90,774,710	86,941,162	87,807,534	866,372	1.0%
Less Discounts and Allowances	(31,771,148)	(25,646,100)	(27,500,000)	(1,853,900)	7.2%
Federal Sponsored Programs	5,248,238	2,793,402	5,361,468	2,568,066	91.9%
State Sponsored Programs	11,992,364	12,062,451	12,062,451	-	0.0%
Local and Private Sponsored Programs	1,201,962	824,248	1,163,327	339,079	41.1%
Net Sales and Services of Educational Activities	11,329,467	10,356,675	5,814,379	(4,542,296)	-43.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	10,473,550	9,634,541	10,822,501	1,187,960	12.3%
Other Operating Revenues	588,381	760,700	1,444,308	683,608	89.9%
Total Operating Revenues	99,837,524	97,727,079	96,975,968	(751,111)	-0.8%
Operating Expenses:					
Compensation - Faculty	39,909,212	39,970,232	40,711,761	741,529	1.9%
Compensation - Non-Faculty	32,862,658	33,028,000	35,350,781	2,322,781	7.0%
Wages	4,441,505	4,377,248	4,173,409	(203,839)	-4.7%
Benefits	23,936,146	23,886,920	25,481,830	1,594,910	6.7%
Personnel Costs	101,149,521	101,262,400	105,717,781	4,455,381	4.4%
Utilities	2,584,172	2,887,121	2,592,121	(295,000)	-10.2%
Scholarships and Fellowships	50,119,890	43,682,572	41,202,768	(2,479,804)	-5.7%
Less Discounts and Allowances	(31,771,148)	(25,646,100)	(27,500,000)	(1,853,900)	7.2%
Operations, Maintenance and Travel	44,771,883	37,120,156	37,260,691	140,535	0.4%
Less Capitalized Portion and Cap Lease/SBITA	(2,500,000)	(961,411)	(1,554,172)	(592,761)	61.7%
Depreciation and Amortization	16,782,668	17,397,345	17,354,342	(43,003)	-0.2%
Total Operating Expenses	181,136,986	175,742,083	175,073,531	(668,552)	-0.4%
Operating Surplus/Deficit	(81,299,462)	(78,015,004)	(78,097,563)	(82,559)	0.1%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	34,418,995	34,638,452	34,437,163	(201,289)	-0.6%
Federal Sponsored Programs (Nonoperating)	25,459,909	21,049,694	19,928,942	(1,120,752)	-5.3%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	1,690,448	1,037,015	1,416,000	378,985	36.5%
Net Investment Income	7,148,273	7,148,273	8,399,665	1,251,392	17.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	68,717,625	63,873,434	64,181,770	308,336	0.5%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	219,453	219,453	219,453	-	0.0%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(3,031,231)	(3,043,460)	(3,013,772)	29,688	-1.0%
Total Transfers and Other	(2,811,778)	(2,824,007)	(2,794,319)	29,688	-1.1%
Budget Margin (Deficit)	(15,393,615)	(16,965,577)	(16,710,112)	255,465	-1.5%
Reconciliation to Change in Net Position:					
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	1,500,000	1,500,000	-	0.0%
Additions to Permanent Endowments	1,000,000	1,500,000	1,500,000	-	0.0%
Transfers for Debt Service - Principal	(399,345)	-	(3,028,000)	(3,028,000)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	1,500,000	2,800,000	2,800,000	-	0.0%
SRECNP Change in Net Position	\$ (12,642,960)	(11,165,577)	(13,938,112)	(2,772,535)	24.8%
Total Revenues and AUF/Approp Transfers	\$ 168,774,602	161,819,966	161,377,191	(442,775)	-0.3%
Total Expenses (Including Transfers for Interest)	(184,168,217)	(178,785,543)	(178,087,303)	698,240	-0.4%
Budget Margin (Deficit)	\$ (15,393,615)	(16,965,577)	(16,710,112)	255,465	
Reconciliation to Use of Prior Year Balances					
Depreciation		17,397,345	17,354,342		
Capital Outlay		(550,000)	(1,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(397,345)	(3,578,922)		
Budgeted Transfers		(148,525)	142,821		
Net Additions to (Uses of) Prior Year Balances		(664,102)	(3,791,871)		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 66,888,154	67,178,046	68,516,898	1,338,852	2.0%
Academic Support	16,872,077	16,127,866	16,458,201	330,335	2.0%
Research	2,268,767	2,560,356	5,342,691	2,782,335	108.7%
Public Service	1,623,829	1,192,936	947,708	(245,228)	-20.6%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	15,291,476	14,636,974	15,545,223	908,249	6.2%
Student Services	14,017,929	12,892,647	13,105,910	213,263	1.7%
Operations and Maintenance of Plant	14,083,897	10,107,168	10,020,621	(86,547)	-0.9%
Scholarships and Fellowships	19,965,054	18,507,304	13,278,901	(5,228,403)	-28.3%
Auxiliary Enterprises	13,343,135	15,141,441	14,503,036	(638,405)	-4.2%
Depreciation and Amortization	16,782,668	17,397,345	17,354,342	(43,003)	-0.2%
Total Operating Expenses	\$ 181,136,986	175,742,083	175,073,531	(668,552)	-0.4%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 49,945,540	50,049,809	104,269	0.2%
Designated	90,964,472	92,031,398	1,066,926	1.2%
Auxiliary	17,561,722	19,013,424	1,451,702	8.3%
Available University Fund	-	-	-	-
Restricted	29,509,909	31,717,252	2,207,343	7.5%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	187,981,643	192,811,883	4,830,240	2.6%
Reconciling Adjustments:				
Tuition Discounting	(25,646,100)	(27,500,000)	(1,853,900)	7.2%
Depreciation	17,397,345	17,354,342	(43,003)	-0.2%
Capital Outlay	(550,000)	(1,000,000)	(450,000)	81.8%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(397,345)	(3,578,922)	(3,181,577)	800.7%
Total Expenses (Including Transfers for Interest)	\$ 178,785,543	178,087,303	(698,240)	-0.4%

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

The University of Texas Health Science Center at Tyler
Operating Budget Highlights
Fiscal Year Ending August 31, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

As the only academic medical center in the region, The University of Texas Health Science Center at Tyler plays a critical role in the health and wellness of East Texas. Building on the momentum of alignment with The University of Texas at Tyler, and establishment of the first medical school in the region, U. T. Health Science Center – Tyler is poised to deliver even greater access to life-changing education, healthcare, and research that will positively impact the East Texas Region. The FY 2023 operating budget funds important strategic goals towards this mission.

U. T. Health Science Center - Tyler has made great strides toward the establishment of a medical school in East Texas, which received preliminary accreditation from the Liaison Council on Medical Education in June 2022. The FY 2023 operating budget funds the ongoing development of the school of medicine, including faculty recruitment, planning for future facilities, and recruitment of the inaugural class of medical students.

In preparation for the opening of the medical school, the FY 2023 operating 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 2023 operating budget also funds efforts toward the recruitment and retention of high-quality faculty and will make strategic investments in new and existing programs tied to the needs of the region. Likewise, the budget will fund efforts to grow enrollment across the University while providing enhanced experiences for students through flexible programs, increased use of technology in delivery of education, and additional student support.

Revenue

U. T. Health Science Center – Tyler’s budgeted total revenues and transfers for FY 2023 are approximately 3 percent higher than the FY 2022 operating budget. This increase is driven primarily by four initiatives – continued clinical growth, expansion of the residency and GME programs, growth of the Physician Master Services Agreement 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.

Expenses

U. T. Health Science Center – Tyler’s budgeted total expenses and transfers for FY 2023 are approximately 3 percent higher than the FY 2022 operating budget. This increase reflects the investment in four initiatives - growth of the residency and GME programs, ongoing expansion of the Physician Master Services Agreement 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 University continues to invest in the School of Health Professions, 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 University’s human capital. In addition to a merit program this year, U. T. Health Science Center – Tyler continues to invest in its employees by monitoring remote working trends to promote flexibility, initiating off-cycle market adjustments, and implementing targeted compensation programs for health care workers who go above and beyond.

The University of Texas at Tyler (Health Science Center at Tyler)
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 959,783	909,408	866,983	(42,425)	-4.7%
Less Discounts and Allowances	(250,293)	(150,000)	(254,516)	(104,516)	69.7%
Federal Sponsored Programs	14,806,300	11,706,677	16,489,729	4,783,052	40.9%
State Sponsored Programs	7,529,245	7,108,490	6,651,037	(457,453)	-6.4%
Local and Private Sponsored Programs	66,474,029	67,281,559	79,125,330	11,843,771	17.6%
Net Sales and Services of Educational Activities	8,430,990	7,714,706	6,173,949	(1,540,757)	-20.0%
Net Sales and Services of Hospital and Clinics	152,668,930	149,004,974	163,624,048	14,619,074	9.8%
Net Professional Fees	21,955,097	24,842,205	18,650,658	(6,191,547)	-24.9%
Net Auxiliary Enterprises	179,290	171,652	150,664	(20,988)	-12.2%
Other Operating Revenues	20,072,630	31,190,625	16,799,634	(14,390,991)	-46.1%
Total Operating Revenues	292,826,001	299,780,296	308,277,516	8,497,220	2.8%
Operating Expenses:					
Compensation - Faculty	100,499,782	101,091,393	115,667,423	14,576,030	14.4%
Compensation - Non-Faculty	72,985,939	77,563,181	72,898,083	(4,665,098)	-6.0%
Wages	955,133	1,166,245	1,218,378	52,133	4.5%
Benefits	43,069,623	46,335,797	49,239,182	2,903,385	6.3%
Personnel Costs	217,510,477	226,156,616	239,023,066	12,866,450	5.7%
Utilities	2,854,380	2,466,539	2,802,653	336,114	13.6%
Scholarships and Fellowships	315,872	150,000	254,516	104,516	69.7%
Less Discounts and Allowances	(250,293)	(150,000)	(254,516)	(104,516)	69.7%
Operations, Maintenance and Travel	118,553,451	116,691,142	114,271,072	(2,420,070)	-2.1%
Less Capitalized Portion and Cap Lease/SBITA	860,728	(2,599,000)	(2,336,809)	262,191	-10.1%
Depreciation and Amortization	17,700,547	20,101,150	19,126,809	(974,341)	-4.8%
Total Operating Expenses	357,545,162	362,816,447	372,886,791	10,070,344	2.8%
Operating Surplus/Deficit	(64,719,161)	(63,036,151)	(64,609,275)	(1,573,124)	2.5%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	51,561,266	54,332,132	52,726,450	(1,605,682)	-3.0%
Federal Sponsored Programs (Nonoperating)	2,001,182	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	6,750,000	7,083,021	7,939,817	856,796	12.1%
Net Investment Income	4,214,205	4,167,905	4,029,082	(138,823)	-3.3%
Other Non-Operating Revenue	-	-	5,673	5,673	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	64,526,653	65,583,058	64,701,022	(882,036)	-1.3%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	2,619,138	-	2,646,445	2,646,445	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(696,873)	(819,482)	(1,096,846)	(277,364)	33.8%
Total Transfers and Other	1,922,265	(819,482)	1,549,599	2,369,081	-289.1%
Budget Margin (Deficit)	1,729,757	1,727,425	1,641,346	(86,079)	-5.0%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	16,083	25,383	23,025	(2,358)	-9.3%
Net Inc./(Dec.) in Fair Value of Investments	(5,565,790)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	5,612	83,691	66,596	(17,095)	-20.4%
Additions to Permanent Endowments	1,052,589	25,000	5,000,000	4,975,000	19900.0%
Transfers for Debt Service - Principal	-	-	(5,546,168)	(5,546,168)	-
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	12,722,336	11,642,672	38,468,811	26,826,139	230.4%
SRECNP Change in Net Position	\$ 9,960,587	13,504,171	39,653,610	26,149,439	193.6%
Total Revenues and AUF/Approp Transfers	\$ 359,971,792	365,363,354	375,624,983	10,261,629	2.8%
Total Expenses (Including Transfers for Interest)	(358,242,035)	(363,635,929)	(373,983,637)	(10,347,708)	2.8%
Budget Margin (Deficit)	\$ 1,729,757	1,727,425	1,641,346	(86,079)	
Reconciliation to Use of Prior Year Balances					
Depreciation		20,101,150	19,126,809		
Capital Outlay		(800,000)	(960,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(1,726,150)	(6,867,596)		
Budgeted Transfers		(10,022)	(19,141)		
Net Additions to (Uses of) Prior Year Balances		19,292,403	12,921,418		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 71,199,786	19,313,930	21,328,810	2,014,880	10.4%
Academic Support	2,062,357	5,824,589	5,506,632	(317,957)	-5.5%
Research	24,052,622	34,036,972	36,668,375	2,631,403	7.7%
Public Service	-	-	-	-	-
Hospitals and Clinics	202,861,406	256,310,153	265,158,244	8,848,091	3.5%
Institutional Support	15,989,114	16,457,613	13,446,835	(3,010,778)	-18.3%
Student Services	-	803,127	1,096,625	293,498	36.5%
Operations and Maintenance of Plant	23,443,532	9,766,993	10,412,373	645,380	6.6%
Scholarships and Fellowships	65,579	-	-	-	-
Auxiliary Enterprises	170,219	201,920	142,088	(59,832)	-29.6%
Depreciation and Amortization	17,700,547	20,101,150	19,126,809	(974,341)	-4.8%
Total Operating Expenses	\$ 357,545,162	362,816,447	372,886,791	10,070,344	2.8%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 230,484,725	228,172,242	(2,312,483)	-1.0%
Designated	92,963,442	110,179,309	17,215,867	18.5%
Auxiliary	201,920	142,088	(59,832)	-29.6%
Available University Fund	-	-	-	-
Restricted	22,560,842	24,445,301	1,884,459	8.4%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	346,210,929	362,938,940	16,728,011	4.8%
Reconciling Adjustments:				
Tuition Discounting	(150,000)	(254,516)	(104,516)	69.7%
Depreciation	20,101,150	19,126,809	(974,341)	-4.8%
Capital Outlay	(800,000)	(960,000)	(160,000)	20.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(1,726,150)	(6,867,596)	(5,141,446)	297.9%
Total Expenses (Including Transfers for Interest)	\$ 363,635,929	373,983,637	10,347,708	2.8%

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 Fiscal Year Ending August 31, 2023

Introduction - Major Goals Addressed by FY 2023 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. This is accomplished through innovation and education: training physicians, scientists, and other providers optimally prepared to serve the needs of patients and society; 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 and innovation for better care tomorrow.

Strategic positioning and programmatic investments are designed to sustain a trajectory of excellence and targeted growth in the aforementioned mission areas. Notable examples include expansion of Biomedical Engineering research and programs through a joint project with U. T. Dallas, including construction of the Texas Instruments Biomedical Engineering and Sciences Building, launching the new Peter O'Donnell Jr. School of Public Health, and continued expansion of the Peter O'Donnell Jr. Brain Institute. The O'Donnell 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 O'Donnell Brain Institute is an expansive initiative that encompasses research and clinical programs to advance the treatment, cure, and prevention of all forms of brain disease. With investments from the state and local community, U. T. Southwestern Medical Center is enhancing public health with targeted attention to disease prevention and control, addressing health equity and disparities, and caring for 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, enabled by completion of the expansion of the William P. Clements Jr. University Hospital in December 2020. The North Campus Phase VI expansion, which includes the Peter O'Donnell Jr. Biomedical Research Building and Cancer Care Outpatient Building, are both scheduled to open in the second half 2022. Later this year, the University will open a new outpatient clinical facility in the southern sector of Dallas to expand capacity and help address medically underserved communities. Following approval from the Board of Regents earlier this year, planning for a new pediatric campus, in partnership with Children's Health, is also underway.

In addition to the organic growth of U. T. Southwestern Medical Center's health system, a future key driver of clinical growth is Southwestern Health Resources, a partnership with Texas Health Resources (THR) that includes a clinically integrated network of over 4,500 physicians, 29 hospital locations, and more than 350 points of access across 16 counties in North Texas. 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. The jointly owned hospital and medical office building owned by U. T. Southwestern Medical Center in the rapidly expanding Frisco, Texas market has seen substantial growth over the last couple of years. Additionally, the clinical enterprise is executing a comprehensive strategic plan to optimize its clinical network, further develop destination service lines, enhance value, quality, and patient experience, and leverage outstanding research capabilities in clinical settings.

U. T. Southwestern Medical Center remains focused on recruiting industry leaders. Following national searches, several key academic positions were filled this year including, Catherine Y. Spong, M.D., Chair of Obstetrics and Gynecology; J. William Harbour, M.D., Chair of Ophthalmology; Samuel Achilefu, Ph.D., inaugural Chair of Biomedical Engineering; Robert D. Timmerman, M.D., Chair of Radiation Oncology, and Heakyung Kim, M.D., Chair of Physical Medicine and Rehabilitation. Key administrative positions filled include Holly Crawford, MBA, Executive Vice President for Business Affairs, and Erin Sine, J.D., Vice President for Legal Affairs.

Revenue

The FY 2023 revenue budget of \$4.59 billion represents a 3.8 percent increase over the FY 2022 projection, driven by strong patient care volumes in the hospital and clinics, growth in faculty practice plan professional fees, and growth in sponsored research.

Expenses

The FY 2023 expenditure budget is \$4.52 billion. Expense growth related to hospital and clinical operations, instruction, and research are proportional to revenue growth, and growth in interest and depreciation expense are related to new facilities that are enabling programmatic growth. U. T. Southwestern Medical Center continues to implement cost-saving measures to limit expense increases where possible. The budget includes funds to cover projected debt service to finance expansion and technology projects.

The University of Texas Southwestern Medical Center
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 28,584,665	29,202,898	30,728,864	1,525,966	5.2%
Less Discounts and Allowances	(4,000,000)	(1,250,000)	(4,500,000)	(3,250,000)	260.0%
Federal Sponsored Programs	291,319,320	253,977,877	304,702,372	50,724,495	20.0%
State Sponsored Programs	47,933,450	51,255,083	50,608,849	(646,234)	-1.3%
Local and Private Sponsored Programs	481,856,767	435,461,539	494,426,204	58,964,665	13.5%
Net Sales and Services of Educational Activities	9,779,290	9,450,350	9,190,509	(259,841)	-2.7%
Net Sales and Services of Hospital and Clinics	2,074,238,997	1,978,242,389	2,166,063,422	187,821,033	9.5%
Net Professional Fees	803,001,798	763,777,577	881,966,362	118,188,785	15.5%
Net Auxiliary Enterprises	28,099,034	23,650,799	32,956,302	9,305,503	39.3%
Other Operating Revenues	197,567,094	153,735,746	164,968,640	11,232,894	7.3%
Total Operating Revenues	3,958,380,415	3,697,504,258	4,131,111,524	433,607,266	11.7%
Operating Expenses:					
Compensation - Faculty	804,967,902	772,259,034	867,207,481	94,948,447	12.3%
Compensation - Non-Faculty	1,314,889,065	1,256,191,661	1,402,550,113	146,358,452	11.7%
Wages	32,970,525	29,638,023	30,602,787	964,764	3.3%
Benefits	530,300,085	494,595,001	576,793,006	82,198,005	16.6%
Personnel Costs	2,683,127,577	2,552,683,719	2,877,153,387	324,469,668	12.7%
Utilities	28,633,528	25,011,293	25,657,608	646,315	2.6%
Scholarships and Fellowships	9,253,681	3,500,000	10,230,066	6,730,066	192.3%
Less Discounts and Allowances	(4,000,000)	(1,250,000)	(4,500,000)	(3,250,000)	260.0%
Operations, Maintenance and Travel	1,356,523,651	1,235,397,811	1,357,209,639	121,811,828	9.9%
Less Capitalized Portion and Cap Lease/SBITA	(59,652,111)	(56,950,997)	(75,611,877)	(18,660,880)	32.8%
Depreciation and Amortization	248,019,704	247,532,230	267,301,933	19,769,703	8.0%
Total Operating Expenses	4,261,906,030	4,005,924,056	4,457,440,756	451,516,700	11.3%
Operating Surplus/Deficit	(303,525,615)	(308,419,798)	(326,329,232)	(17,909,434)	5.8%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	190,082,621	188,270,910	195,239,235	6,968,325	3.7%
Federal Sponsored Programs (Nonoperating)	20,860,808	-	-	-	-
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	85,814,302	65,000,000	75,449,696	10,449,696	16.1%
Net Investment Income	163,977,449	140,167,503	178,444,021	38,276,518	27.3%
Other Non-Operating Revenue	-	29,166	12,455	(16,711)	-57.3%
Other Non-Operating (Expenses)	-	(112,500)	-	112,500	-100.0%
Net Non-Operating Revenue/(Expenses)	460,735,180	393,355,079	449,145,407	55,790,328	14.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	-	8,095,963	8,095,963	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(50,684,208)	(53,418,783)	(61,171,890)	(7,753,107)	14.5%
Total Transfers and Other	(50,684,208)	(53,418,783)	(53,075,927)	342,856	-0.6%
Budget Margin (Deficit)	106,525,357	31,516,498	69,740,248	38,223,750	121.3%
Reconciliation to Change in Net Position:					
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	21,588,184	2,020,000	5,000,000	2,980,000	147.5%
Additions to Permanent Endowments	14,286,010	15,035,410	15,000,000	(35,410)	-0.2%
Transfers for Debt Service - Principal	(65,042,767)	(68,438,767)	(71,481,000)	(3,042,233)	4.4%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	135,255,563	117,023,873	38,622,215	(78,401,658)	-67.0%
SRECNP Change in Net Position	\$ 212,612,347	97,157,014	56,881,463	(40,275,551)	-41.5%
Total Revenues and AUF/Approp Transfers	\$ 4,419,115,595	4,090,971,837	4,588,352,894	497,381,057	12.2%
Total Expenses (Including Transfers for Interest)	(4,312,590,238)	(4,059,455,339)	(4,518,612,646)	(459,157,307)	11.3%
Budget Margin (Deficit)	\$ 106,525,357	31,516,498	69,740,248	38,223,750	
Reconciliation to Use of Prior Year Balances					
Depreciation		247,532,230	267,301,933		
Capital Outlay		(33,750,000)	(39,656,842)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(90,186,602)	(105,564,612)		
Budgeted Transfers		-	-		
Net Additions to (Uses of) Prior Year Balances		155,112,126	191,820,727		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 1,304,710,727	1,119,843,551	1,371,773,878	251,930,327	22.5%
Academic Support	64,328,591	68,894,968	65,015,073	(3,879,895)	-5.6%
Research	425,128,934	410,270,637	459,455,619	49,184,982	12.0%
Public Service	27,810,638	27,066,568	29,084,086	2,017,518	7.5%
Hospitals and Clinics	1,995,598,730	1,914,811,348	2,048,669,174	133,857,826	7.0%
Institutional Support	74,253,891	82,980,809	87,585,411	4,604,602	5.5%
Student Services	3,582,169	3,136,300	4,443,684	1,307,384	41.7%
Operations and Maintenance of Plant	72,485,223	87,585,774	74,241,735	(13,344,039)	-15.2%
Scholarships and Fellowships	5,253,681	4,806,932	5,730,078	923,146	19.2%
Auxiliary Enterprises	40,733,742	38,994,939	44,140,085	5,145,146	13.2%
Depreciation and Amortization	248,019,704	247,532,230	267,301,933	19,769,703	8.0%
Total Operating Expenses	\$ 4,261,906,030	4,005,924,056	4,457,440,756	451,516,700	11.3%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 204,240,616	221,696,013	17,455,397	8.5%
Designated	3,278,449,118	3,672,038,933	393,589,815	12.0%
Auxiliary	49,182,708	55,737,269	6,554,561	13.3%
Available University Fund	-	-	-	-
Restricted	370,237,269	416,559,952	46,322,683	12.5%
Unexpended Plant	35,000,000	35,000,000	-	0.0%
Subtotal - Expenditures (All Funds)	3,937,109,711	4,401,032,167	463,922,456	11.8%
Reconciling Adjustments:				
Tuition Discounting	(1,250,000)	(4,500,000)	(3,250,000)	260.0%
Depreciation	247,532,230	267,301,933	19,769,703	8.0%
Capital Outlay	(33,750,000)	(39,656,842)	(5,906,842)	17.5%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(90,186,602)	(105,564,612)	(15,378,010)	17.1%
Total Expenses (Including Transfers for Interest)	\$ 4,059,455,339	4,518,612,646	459,157,307	11.3%

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, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The FY 2023 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 2023 budget represents the University's proposed financial plan for the upcoming fiscal year; however, the unknowns of the current economic inflationary headwinds on both supplies and other service expenditures, staff shortages and retention challenges due to rapidly increasing compensation, as well as flat or declining commercial and governmental payor reimbursement practices pose potential risks to the achievement of this plan.

Addressing the strategic priority of “people” and the University's commitment to diversity, equity, and inclusion, the FY 2023 operating budget provides support for over \$38 million in compensation improvements, 27 percent of which is targeted to increase faculty compensation to targeted industry benchmarks. The remainder will fund annual staff merit and market adjustments. These market adjustments serve as efforts to help attract, retain, and elevate staff to consistent excellence and long-term loyalty towards the University's mission.

Regarding strategies related to “value,” U. T. Medical Branch - Galveston will continue clinical efforts to deliver the right care, at the right time, in the right way, for the right person – and have the best possible results every patient, every time in FY 2023. The University will also continue to provide quality educational programs that prepare students for the future and develop a pipeline of graduates as candidates for employment upon graduation. Nationally, clinical reimbursement from commercial and governmental payors is expected to remain essentially flat or even decline; therefore, the University will continue to identify and develop strategies to evaluate new models that provide better care, improve health outcomes and lower costs to maintain its mission and meet its operating budget plans.

The University's “growth” strategies in FY 2023 call for expanding access to care and strengthening its primary and specialty care footprint in Southeast Texas and resuming a growth trajectory post COVID-19 pandemic. Clinical strategic priorities for the key markets of League City, Clear Lake, and the Bay Area include: Primary Care, Orthopedics, Cardiology, Oncology, Women's and Pediatric Services, and Neurosciences. Academic growth initiatives include the first full operational year of the School of Public and Population Health, reinstatement of an Emergency Medicine resident training program, implementing an educational certificate program for clinical professionals, and increasing clinical rotation sites at Mainland campus locations. U. T. Medical Branch - Galveston will continue to advance its research strategic plan by launching the Vaccine Development and Drug Discovery Center which will ensure leading efforts in developing therapeutics and vaccines to mitigate or eradicate COVID-19 and other infectious diseases.

Regarding strategies related to “resources,” the FY 2023 operating budget reflects growth in revenue and expenses driven by the initiatives noted above and contemplates a <\$18.1> million margin loss. Various clinical, research, and academic projects are being financially supported by local designated fund reserves and community benefactors, including The Sealy & Smith Foundation. The University will optimize existing financial management and forecasting infrastructure, as well as implement measurable action plans to achieve planned financial results for FY 2023.

Revenue

Total budgeted operating revenue for FY 2023 reflects an increase of \$194 million (9.2 percent) from the FY 2022 budget, primarily related to expanded use of capacity on the Clear Lake, League City, and Ambulatory Clinic campuses. Various volume growth initiatives are planned in coordination with strategic provider new hires and growth in the faculty practice plan professional fees.

Expenses

Total budgeted operating expenses for FY 2023 reflect an increase of \$217 million (8.6 percent) from the prior year, primarily attributable to anticipated economic inflationary rate increases on labor and non-labor expenses, as well as additional clinical variable staffing and supplies related to expanded clinical volumes. Increases in depreciation expense are mostly related to the implementation of provisions required by Governmental Accounting Standards Board Statement Number 96.

The University of Texas Medical Branch at Galveston
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 57,461,245	59,871,867	57,255,389	(2,616,478)	-4.4%
Less Discounts and Allowances	(5,418,819)	(4,800,657)	(4,559,901)	240,756	-5.0%
Federal Sponsored Programs	149,205,624	128,842,384	156,200,642	27,358,258	21.2%
State Sponsored Programs	15,766,217	13,517,693	16,505,365	2,987,672	22.1%
Local and Private Sponsored Programs	59,331,884	61,963,466	62,113,466	150,000	0.2%
Net Sales and Services of Educational Activities	17,567,410	16,002,567	10,579,944	(5,422,623)	-33.9%
Net Sales and Services of Hospital and Clinics	1,540,120,630	1,476,629,453	1,630,969,495	154,340,042	10.5%
Net Professional Fees	254,361,697	242,606,278	266,526,465	23,920,187	9.9%
Net Auxiliary Enterprises	13,964,605	14,673,978	13,583,737	(1,090,241)	-7.4%
Other Operating Revenues	115,343,509	100,376,388	94,549,870	(9,826,518)	-5.8%
Total Operating Revenues	2,217,704,002	2,109,683,417	2,303,724,472	194,041,055	9.2%
Operating Expenses:					
Compensation - Faculty	208,128,073	208,208,879	220,880,236	12,671,357	6.1%
Compensation - Non-Faculty	930,497,101	846,262,156	987,509,354	141,247,198	16.7%
Wages	111,307,787	109,608,844	118,127,697	8,518,853	7.8%
Benefits	343,106,267	363,530,958	400,074,633	36,543,675	10.1%
Personnel Costs	1,593,039,228	1,527,610,837	1,726,591,920	198,981,083	13.0%
Utilities	37,797,318	33,298,985	46,714,903	13,415,918	40.3%
Scholarships and Fellowships	16,843,172	11,704,170	14,018,336	2,314,166	19.8%
Less Discounts and Allowances	(5,418,819)	(4,800,657)	(4,559,901)	240,756	-5.0%
Operations, Maintenance and Travel	880,694,750	877,499,317	891,725,741	14,226,424	1.6%
Less Capitalized Portion and Cap Lease/SBITA	(108,819,764)	(146,439,011)	(167,954,625)	(21,515,614)	14.7%
Depreciation and Amortization	211,232,960	216,335,316	225,688,277	9,352,961	4.3%
Total Operating Expenses	2,625,368,845	2,515,208,957	2,732,224,651	217,015,694	8.6%
Operating Surplus/Deficit	(407,664,843)	(405,525,540)	(428,500,179)	(22,974,639)	5.7%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	358,081,697	357,360,135	358,263,807	903,672	0.3%
Federal Sponsored Programs (Nonoperating)	-	1,050,000	1,050,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	1,050,000	-	-	-	-
Gifts in Support of Operations	16,024,804	9,660,516	10,549,755	889,239	9.2%
Net Investment Income	67,281,726	59,653,720	67,143,256	7,489,536	12.6%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	442,438,227	427,724,371	437,006,818	9,282,447	2.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	-	4,008,930	4,008,930	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(26,791,463)	(30,598,831)	(30,659,557)	(60,726)	0.2%
Total Transfers and Other	(26,791,463)	(30,598,831)	(26,650,627)	3,948,204	-12.9%
Budget Margin (Deficit)	7,981,921	(8,400,000)	(18,143,988)	(9,743,988)	116.0%
Reconciliation to Change in Net Position:					
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	43,324,977	24,483,333	51,822,370	27,339,037	111.7%
Additions to Permanent Endowments	10,234,608	3,519,182	3,527,992	8,810	0.3%
Transfers for Debt Service - Principal	(56,783,000)	(60,288,000)	(63,018,000)	(2,730,000)	4.5%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	55,605,302	52,334,499	145,218,822	92,884,323	177.5%
SRECNP Change in Net Position	\$ 60,363,808	11,649,014	119,407,196	107,758,182	925.0%
Total Revenues and AUF/Approp Transfers	\$ 2,660,142,229	2,537,407,788	2,744,740,220	207,332,432	8.2%
Total Expenses (Including Transfers for Interest)	(2,652,160,308)	(2,545,807,788)	(2,762,884,208)	(217,076,420)	8.5%
Budget Margin (Deficit)	\$ 7,981,921	(8,400,000)	(18,143,988)	(9,743,988)	
Reconciliation to Use of Prior Year Balances					
Depreciation		216,335,316	225,688,277		
Capital Outlay		(117,578,290)	(133,351,889)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(83,928,679)	(94,009,405)		
Budgeted Transfers		-	-		
Net Additions to (Uses of) Prior Year Balances		6,428,347	(19,817,005)		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 428,366,671	379,706,459	444,574,011	64,867,552	17.1%
Academic Support	35,061,132	38,226,666	36,387,677	(1,838,989)	-4.8%
Research	123,281,848	121,668,828	122,946,242	1,277,414	1.0%
Public Service	21,220,634	33,869,626	22,023,521	(11,846,105)	-35.0%
Hospitals and Clinics	1,601,830,104	1,563,852,335	1,662,435,671	98,583,336	6.3%
Institutional Support	99,460,828	76,688,854	103,223,949	26,535,095	34.6%
Student Services	7,485,052	7,864,404	12,768,250	4,903,846	62.4%
Operations and Maintenance of Plant	72,477,532	49,082,762	75,219,737	26,136,975	53.3%
Scholarships and Fellowships	14,127,743	15,155,113	14,662,269	(492,844)	-3.3%
Auxiliary Enterprises	10,824,341	12,758,594	12,295,047	(463,547)	-3.6%
Depreciation and Amortization	211,232,960	216,335,316	225,688,277	9,352,961	4.3%
Total Operating Expenses	\$ 2,625,368,845	2,515,208,957	2,732,224,651	217,015,694	8.6%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 1,010,062,106	1,136,143,441	126,081,335	12.5%
Designated	1,220,998,700	1,283,589,653	62,590,953	5.1%
Auxiliary	15,012,734	12,759,861	(2,252,873)	-15.0%
Available University Fund	-	-	-	-
Restricted	170,991,481	195,949,139	24,957,658	14.6%
Unexpended Plant	118,715,077	140,675,032	21,959,955	18.5%
Subtotal - Expenditures (All Funds)	2,535,780,098	2,769,117,126	233,337,028	9.2%
Reconciling Adjustments:				
Tuition Discounting	(4,800,657)	(4,559,901)	240,756	-5.0%
Depreciation	216,335,316	225,688,277	9,352,961	4.3%
Capital Outlay	(117,578,290)	(133,351,889)	(15,773,599)	13.4%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(83,928,679)	(94,009,405)	(10,080,726)	12.0%
Total Expenses (Including Transfers for Interest)	\$ 2,545,807,788	2,762,884,208	217,076,420	8.5%

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, 2023

Introduction - Major Goals Addressed by FY 2023 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 newly opened John S. Dunn Behavioral Sciences Center (BSC), 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 University continues the strategy of clinical expansion through key recruitments and acquisitions as a means to support the academic and research mission in FY 2023. 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 2023 budget includes a new program initiated during FY 2022 by the Texas Department of Health and Human Services Commission (HHSC), the Texas Incentives for Physicians and Professional Services (TIPPS), to replace the current expiring program within the Delivery System Reform Incentive Payment (DSRIP) program and the Network Access Improvement Program (NAIP). While TIPPS will only provide about 40 percent of the funding that was provided previously for DSRIP and NAIP, it remains a critical funding source for the University to provide quality clinical care to the underserved throughout Greater Houston.

The FY 2023 budget includes the first full year of funding for the Texas Epidemic Public Health Institute (TEPHI). Created by the Texas Legislature during the 87th Legislative Session in Senate Bill (SB) 1780 and funded with \$40.0 million in federal coronavirus relief funds in SB 8, Third Called Session, TEPHI is a network of public health professionals and resources that will ensure the state is at the forefront of pandemic readiness and response to keep Texans safe and the economy strong.

In addition, in partnership with the HHSC, the University opened the \$126.0 million BSC in March 2022, the first public psychiatric hospital to be built in the state in 25 years. The facility is largely funded by the state, owned by HHSC, and operated by BSC physicians and staff. It will include short- and long-term care options, residential treatment, and add 264 beds to HCPC's existing 274 beds to create the largest academic psychiatric hospital in the country.

Revenue

The FY 2023 \$2.2 billion revenue budget includes an increase of \$184.3 million, or 9.0 percent, in total operating and non-operating revenues over the FY 2022 budget. This is driven by MHHS and Harris Health contract increases of approximately \$89.5 million and an additional \$35.8 million in physician practice plan professional fee revenues due to recruitment efforts, increased faculty productivity, and revenue cycle optimization. The increase in Net Sales and Services of Hospitals is the result of the BSC and increased state support of the new mental health hospital. Federal sponsored programs revenue (operating and non-operating) is projected to increase by \$30.6 million, or 14.0 percent, as a result of COVID-19 pandemic funding to the University which includes sponsored program awards for research and public service activities and SB 8 funding for TEPHI. The decrease in state sponsored programs revenue is primarily due to a change in reporting of state programs that are now recorded as Appropriation Transfers Received for Operations. Other operating revenues are projected to increase with TIPPS revenues replacing the outgoing DSRIP program. Investment income also continues its upward trends due to distribution rates from the Long-Term Fund (endowment and non-endowment) providing additional resources for the University.

Expenses

The FY 2023 expense budget is projecting a total increase of \$197.2 million or 9.7 percent with compensation and the associated benefits for both faculty and non-faculty positions tied to enhanced clinical activities and required market adjustments as well as the opening of the BSC and the first full year of TEPHI activity being 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.

The University of Texas Health Science Center at Houston
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 77,948,116	72,133,154	78,356,223	6,223,069	8.6%
Less Discounts and Allowances	(1,677,944)	(1,374,300)	(1,724,149)	(349,849)	25.5%
Federal Sponsored Programs	229,371,540	212,271,634	226,704,887	14,433,253	6.8%
State Sponsored Programs	21,928,779	36,216,451	27,566,648	(8,649,803)	-23.9%
Local and Private Sponsored Programs	746,647,494	770,814,635	793,470,772	22,656,137	2.9%
Net Sales and Services of Educational Activities	50,103,411	23,002,150	23,893,085	890,935	3.9%
Net Sales and Services of Hospital and Clinics	93,143,366	84,379,295	133,711,371	49,332,076	58.5%
Net Professional Fees	462,293,824	461,070,467	496,850,097	35,779,630	7.8%
Net Auxiliary Enterprises	22,384,993	31,028,344	31,764,341	735,997	2.4%
Other Operating Revenues	49,021,342	56,908,886	82,095,483	25,186,597	44.3%
Total Operating Revenues	1,751,164,921	1,746,450,716	1,892,688,758	146,238,042	8.4%
Operating Expenses:					
Compensation - Faculty	623,439,301	618,027,411	678,664,116	60,636,705	9.8%
Compensation - Non-Faculty	653,811,826	627,905,417	698,692,594	70,787,177	11.3%
Wages	21,241,646	21,052,451	22,247,661	1,195,210	5.7%
Benefits	284,204,428	291,341,150	328,785,024	37,443,874	12.9%
Personnel Costs	1,582,697,201	1,558,326,429	1,728,389,395	170,062,966	10.9%
Utilities	13,779,591	15,894,706	16,412,673	517,967	3.3%
Scholarships and Fellowships	12,500,000	11,219,752	12,063,849	844,097	7.5%
Less Discounts and Allowances	(1,677,944)	(1,374,300)	(1,724,149)	(349,849)	25.5%
Operations, Maintenance and Travel	393,510,007	397,335,479	423,774,015	26,438,536	6.7%
Less Capitalized Portion and Cap Lease/SBITA	(13,870,660)	(24,271,546)	(22,796,586)	1,474,960	-6.1%
Depreciation and Amortization	73,832,358	79,216,134	77,406,045	(1,810,089)	-2.3%
Total Operating Expenses	2,060,770,553	2,036,346,654	2,233,525,242	197,178,588	9.7%
Operating Surplus/Deficit	(309,605,632)	(289,895,938)	(340,836,484)	(50,940,546)	17.6%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	221,566,821	221,400,922	225,384,793	3,983,871	1.8%
Federal Sponsored Programs (Nonoperating)	9,473,207	5,773,124	21,924,325	16,151,201	279.8%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	19,801,283	13,848,810	17,000,000	3,151,190	22.8%
Net Investment Income	77,861,680	66,521,709	81,288,663	14,766,954	22.2%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	328,702,991	307,544,565	345,597,781	38,053,216	12.4%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	-	5,668,853	5,668,853	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(8,166,816)	(7,468,032)	(7,725,150)	(257,118)	3.4%
Total Transfers and Other	(8,166,816)	(7,468,032)	(2,056,297)	5,411,735	-72.5%
Budget Margin (Deficit)	10,930,543	10,180,595	2,705,000	(7,475,595)	-73.4%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	6,213,540	3,000,000	2,000,000	(1,000,000)	-33.3%
Net Inc./(Dec.) in Fair Value of Investments	(135,354,055)	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	-	-	-	-	-
Additions to Permanent Endowments	34,856,892	15,000,000	18,000,000	3,000,000	20.0%
Transfers for Debt Service - Principal	(10,144,963)	(12,047,000)	(12,483,000)	(436,000)	3.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	4,580,533	10,000,000	(3,000,000)	(13,000,000)	-130.0%
SRECNP Change in Net Position	\$(88,917,510)	26,133,595	7,222,000	(18,911,595)	-72.4%
Total Revenues and AUF/Approp Transfers	\$ 2,079,867,912	2,053,995,281	2,243,955,392	189,960,111	9.2%
Total Expenses (Including Transfers for Interest)	(2,068,937,369)	(2,043,814,686)	(2,241,250,392)	(197,435,706)	9.7%
Budget Margin (Deficit)	\$ 10,930,543	10,180,595	2,705,000	(7,475,595)	
Reconciliation to Use of Prior Year Balances					
Depreciation		79,216,134	77,406,045		
Capital Outlay		(18,094,141)	(19,595,872)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(17,741,969)	(15,185,594)		
Budgeted Transfers		667,000	689,000		
Net Additions to (Uses of) Prior Year Balances		54,227,619	46,018,579		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 904,923,810	891,348,312	988,313,306	96,964,994	10.9%
Academic Support	70,157,971	69,105,474	75,826,219	6,720,745	9.7%
Research	271,261,085	267,191,677	256,442,021	(10,749,656)	-4.0%
Public Service	54,978,338	54,153,563	74,025,572	19,872,009	36.7%
Hospitals and Clinics	519,614,825	511,819,661	590,514,097	78,694,436	15.4%
Institutional Support	88,138,678	86,816,438	89,178,813	2,362,375	2.7%
Student Services	12,241,839	12,058,189	12,750,045	691,856	5.7%
Operations and Maintenance of Plant	37,782,789	37,215,979	40,587,783	3,371,804	9.1%
Scholarships and Fellowships	9,995,401	9,845,452	10,339,700	494,248	5.0%
Auxiliary Enterprises	17,843,459	17,575,775	18,141,641	565,866	3.2%
Depreciation and Amortization	73,832,358	79,216,134	77,406,045	(1,810,089)	-2.3%
Total Operating Expenses	\$ 2,060,770,553	2,036,346,654	2,233,525,242	197,178,588	9.7%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 310,877,558	368,242,415	57,364,857	18.5%
Designated	1,323,188,934	1,450,744,497	127,555,563	9.6%
Auxiliary	25,268,542	25,429,951	161,409	0.6%
Available University Fund	-	-	-	-
Restricted	342,473,928	355,933,099	13,459,171	3.9%
Unexpended Plant	-	-	-	-
Subtotal - Expenditures (All Funds)	2,001,808,962	2,200,349,962	198,541,000	9.9%
Reconciling Adjustments:				
Tuition Discounting	(1,374,300)	(1,724,149)	(349,849)	25.5%
Depreciation	79,216,134	77,406,045	(1,810,089)	-2.3%
Capital Outlay	(18,094,141)	(19,595,872)	(1,501,731)	8.3%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(17,741,969)	(15,185,594)	2,556,375	-14.4%
Total Expenses (Including Transfers for Interest)	\$ 2,043,814,686	2,241,250,392	197,435,706	9.7%

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, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

The \$1.2 billion FY 2023 Operating Budget for The University of Texas Health Science Center at San Antonio sustains multi-year and new strategic investments totaling \$81 million and is expected to add nearly \$20 million to unrestricted cash reserves in FY 2023. These strategic investments support the Institution's highest strategic priorities of clinical transformation, research growth, operational excellence, and continued hospital planning and construction efforts. These investments will continue to fortify the research and clinical enterprises over the long-term and provide the foundation necessary to support a multi-specialty hospital.

Continued execution of clinical transformation will focus on growing existing outpatient practices by increasing clinical sites, extending the primary care network, and creating capacity and access to serve more community patients. Investment include clinical faculty and staff recruitments and capital outlay and start-up costs necessary for clinical expansion. The new De Zavala multispecialty healthcare facility will help drive volumes needed for the new hospital. In January 2022, construction began on a new Outpatient Surgical Center located on The University of Texas at San Antonio campus. Scheduled to open in 2024, it will expand access to one of the fastest growing areas of San Antonio, meet increased patient demand, and help serve as a portal to the new hospital. The School of Dentistry continues to actively grow patient volumes and improve operations through its sole practitioner and special needs clinic initiatives.

Since the groundbreaking of the new UT Health Multispecialty and Research Hospital in March 2021, the structure for the seven-story, 675-car parking garage has been completed with the exterior framing of the \$430 million, eight-story, 144-bed, 12-operating room hospital connecting to the Mays Cancer Center scheduled for completion by the end of the 2022 calendar year. Construction is on schedule and within budget and the hospital will be operational by late 2024. The inaugural hospital CEO was recruited in May 2022.

The University of Texas School of Public Health San Antonio, a collaborative research intensive, community-centric school between U. T. Health Science Center – San Antonio and U. T. San Antonio, was approved by the Board of Regents in November 2021. Dr. Vasanth Ramachandran, a world-renowned physician-epidemiologist, has been named as the founding dean. This collaborative school will build upon the complementary strengths of the two institutions in health behavior, data science, behavioral science, epidemiology and biostatistics, and implementation science. The first Masters of Public Health students will be admitted in fall 2024.

Research growth will be achieved through investments in key research assets and recruitments and the execution of the Institution's research expansion plan on the north Greehey Campus. Infrastructure investments in this enterprise include the \$60 million Brain Health Building serving as the home of the Biggs Institute for Alzheimer's and Neurodegenerative Diseases, a central energy plant, and expansion of the existing vivarium to support growing research on this campus. Plans are underway for two new research sciences buildings to support cancer and clinical trials research conducted on the Greehey Campus. On the main campus, 40,000 square feet of sub-standard lab space will be renovated, with plans to consolidate and repurpose existing space for research activities. Efficiency investments are also planned for Lab Animal Resources through a new five-year capital plan. Chairs in Biochemistry and Microbiology were recently recruited. Key recruitments planned for FY 2023 include a new Pharmacology chair and faculty in these disciplines.

The \$18 million budgeted loss for FY 2023 includes significant workforce investments to support future growth, maintain operational efficiencies, and address growing labor concerns. In addition, investments have been made to facilitate and advance diversity, equity, and inclusion across the mission and schools of U. T. Health Science Center – San Antonio.

Revenue

Total revenues are expected to increase by a net of \$130.1 million (12.0 percent) and exceed \$1.2 billion. Fee for service revenues within the practice plans are expected to increase by \$79.5 million (25.2 percent) due to clinic volume growth (\$58 million) and enhanced revenue from the transition to the new Texas Incentives for Physician and Professional Services (TIPPS) program (\$21.5 million). Growth in sponsored programs accounts for \$55.5 million (13.7 percent). Increases of \$9.9 million in sales and services of educational activities, \$3.1 million in investment income, and \$2.8 million in tuition and fees are also expected. A \$19 million decrease in other operating revenues reflects the discontinuation of the Delivery System Reform Incentive Payment program in lieu of TIPPS.

Expenses

Total expenses for FY 2023 are projected to increase by a net of \$133.6 million (12.2 percent) from the prior year budget with changes predominantly occurring from the targeted clinical and research growth discussed above. A provision for a 2 percent merit increase for all non-faculty employees of \$5.3 million is incorporated into budgeted salary expenses. Compensation increases addressing market competitiveness and the recruitment of nearly 400 new faculty and staff to support clinical and research growth, in addition to anticipated benefits increases, account for an increase of \$78.6 million in personnel costs.

The University of Texas Health Science Center at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 56,423,982	56,053,624	58,903,549	2,849,925	5.1%
Less Discounts and Allowances	(1,828,496)	(1,828,496)	(1,800,000)	28,496	-1.6%
Federal Sponsored Programs	152,627,952	142,280,437	163,527,136	21,246,699	14.9%
State Sponsored Programs	25,669,462	19,090,541	35,445,304	16,354,763	85.7%
Local and Private Sponsored Programs	260,577,218	242,911,209	260,837,845	17,926,636	7.4%
Net Sales and Services of Educational Activities	36,308,876	27,389,546	37,321,060	9,931,514	36.3%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	349,856,337	315,708,288	395,220,511	79,512,223	25.2%
Net Auxiliary Enterprises	4,706,804	6,167,000	6,817,769	650,769	10.6%
Other Operating Revenues	22,302,538	32,786,475	13,630,583	(19,155,892)	-58.4%
Total Operating Revenues	906,644,673	840,558,624	969,903,757	129,345,133	15.4%
Operating Expenses:					
Compensation - Faculty	340,983,804	331,480,653	364,687,750	33,207,097	10.0%
Compensation - Non-Faculty	259,937,044	251,861,508	280,520,452	28,658,944	11.4%
Wages	5,219,567	7,709,935	10,510,951	2,801,016	36.3%
Benefits	162,146,652	161,414,086	180,636,596	19,222,510	11.9%
Personnel Costs	768,287,067	752,466,182	836,355,749	83,889,567	11.1%
Utilities	18,570,849	17,209,309	18,813,053	1,603,744	9.3%
Scholarships and Fellowships	12,152,931	11,943,129	14,663,420	2,720,291	22.8%
Less Discounts and Allowances	(1,828,496)	(1,828,496)	(1,800,000)	28,496	-1.6%
Operations, Maintenance and Travel	271,863,760	263,505,419	307,204,794	43,699,375	16.6%
Less Capitalized Portion and Cap Lease/SBITA	-	(23,941,218)	(23,584,689)	356,529	-1.5%
Depreciation and Amortization	68,738,226	70,875,000	69,781,664	(1,093,336)	-1.5%
Total Operating Expenses	1,137,784,337	1,090,229,325	1,221,433,991	131,204,666	12.0%
Operating Surplus/Deficit	(231,139,664)	(249,670,701)	(251,530,234)	(1,859,533)	0.7%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	172,108,331	172,876,520	172,594,399	(282,121)	-0.2%
Federal Sponsored Programs (Nonoperating)	12,087,995	1,250,000	1,250,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	9,281,825	12,200,673	9,689,163	(2,511,510)	-20.6%
Net Investment Income	50,630,493	48,809,307	51,999,398	3,190,091	6.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	244,108,644	235,136,500	235,532,960	396,460	0.2%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	4,838,642	5,210,874	372,232	7.7%
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(4,906,619)	(4,856,619)	(7,218,884)	(2,362,265)	48.6%
Total Transfers and Other	(4,906,619)	(17,977)	(2,008,010)	(1,990,033)	11069.9%
Budget Margin (Deficit)	8,062,361	(14,552,178)	(18,005,284)	(3,453,106)	23.7%
Reconciliation to Change in Net Position:					
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	(1,050,000)	(1,050,000)	(9,660,000)	(8,610,000)	820.0%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	10,000,000	10,000,000	10,000,000	-	0.0%
SRECNP Change in Net Position	\$ 32,012,361	9,397,822	(2,665,284)	(12,063,106)	-128.4%
Total Revenues and AUF/Approp Transfers	\$ 1,150,753,317	1,080,533,766	1,210,647,591	130,113,825	12.0%
Total Expenses (Including Transfers for Interest)	(1,142,690,956)	(1,095,085,944)	(1,228,652,875)	(133,566,931)	12.2%
Budget Margin (Deficit)	\$ 8,062,361	(14,552,178)	(18,005,284)	(3,453,106)	
Reconciliation to Use of Prior Year Balances					
Depreciation		70,875,000	69,781,664		
Capital Outlay		(21,809,202)	(18,738,253)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(3,124,603)	(14,424,836)		
Budgeted Transfers		(2,001,876)	(870,797)		
Net Additions to (Uses of) Prior Year Balances		29,387,141	17,742,494		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 492,980,592	419,771,098	427,577,159	7,806,061	1.9%
Academic Support	50,829,209	49,204,163	56,859,873	7,655,710	15.6%
Research	166,359,479	170,668,980	188,503,114	17,834,134	10.4%
Public Service	51,216,771	51,055,401	71,101,462	20,046,061	39.3%
Hospitals and Clinics	192,913,263	213,028,410	266,586,074	53,557,664	25.1%
Institutional Support	59,735,737	53,120,598	71,266,030	18,145,432	34.2%
Student Services	2,335,568	2,479,562	2,637,898	158,336	6.4%
Operations and Maintenance of Plant	39,889,571	46,866,768	49,805,321	2,938,553	6.3%
Scholarships and Fellowships	1,520,961	5,896,809	8,549,926	2,653,117	45.0%
Auxiliary Enterprises	6,314,419	7,262,536	8,765,470	1,502,934	20.7%
Depreciation and Amortization	73,688,767	70,875,000	69,781,664	(1,093,336)	-1.5%
Total Operating Expenses	\$ 1,137,784,337	1,090,229,325	1,221,433,991	131,204,666	12.0%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 225,661,377	232,658,829	6,997,452	3.1%
Designated	625,209,228	725,619,410	100,410,182	16.1%
Auxiliary	7,490,480	9,586,254	2,095,774	28.0%
Available University Fund	-	-	-	-
Restricted	186,612,160	221,969,807	35,357,647	18.9%
Unexpended Plant	6,000,000	4,000,000	(2,000,000)	-33.3%
Subtotal - Expenditures (All Funds)	1,050,973,245	1,193,834,300	142,861,055	13.6%
Reconciling Adjustments:				
Tuition Discounting	(1,828,496)	(1,800,000)	28,496	-1.6%
Depreciation	70,875,000	69,781,664	(1,093,336)	-1.5%
Capital Outlay	(21,809,202)	(18,738,253)	3,070,949	-14.1%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(3,124,603)	(14,424,836)	(11,300,233)	361.7%
Total Expenses (Including Transfers for Interest)	\$ 1,095,085,944	1,228,652,875	133,566,931	12.2%

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
Fiscal Year Ending August 31, 2023

Introduction - Major Goals Addressed by FY 2023 Budget

Throughout the COVID-19 pandemic, The University of Texas M. D. Anderson Cancer Center remained steadfast in protecting its vulnerable patient population, ensuring the health of the workforce, and minimizing the impact of on the community. While managing endemic COVID-19, the institution made significant progress against its Strategy and related master facilities framework, financial and long-term capital plan, and comprehensive philanthropic campaign. Highlighted accomplishments from this year are related to the implementation of a subset of strategic decisions grouped under three inter-related themes of Reach, Breakthroughs and Value:

Reach – Focus was placed on expanding its geographic footprint across Texas, expanding virtual presence and capabilities. A number of clinical service buildings on the Texas Medical Center campus are currently in planning or design phases. U. T. M. D. Anderson has acquired or is in the process of acquiring/renovating additional space in the Greater Houston region for clinical services and intake centers. The University continues to plan for capital expansion into Austin, building on research collaborations already underway with U. T. Austin. To expand its virtual presence and capabilities, teams have established virtual visit and remote patient monitoring pilot programs. Twenty percent of visits are now virtual. In an effort to create a best-in-class inbound international patient program, the University identified target countries to serve through a virtual triage platform and is designing its new inbound program.

Breakthroughs – Leaders focused on building a world-class data science program, accelerating and expanding clinical trials and investing in research excellence, talent, and the academic mission. The Institute for Data Science in Oncology launched in 2022 with five focus areas under the leadership of David Jaffray, M.D., Chief Technology and Digital Officer. To accelerate and expand clinical trials, developed a phase one training plan for a new clinical trials management system; launched a toolkit to transform IRB operations; and increased active clinical trials by 173 percent at Houston area locations. To invest in research excellence, talent, and the academic mission, teams centralized its applicant review process creating a prototype dashboard for basic science that streamlines data; and partnered with a public relations firm to enhance research recruitment efforts. The University also launched the James P. Allison Institute which will serve as a research and innovation hub designed to foster groundbreaking science, develop new treatments, and bring the benefits of immunotherapy to all patients. This institute will be located in the TMC³ collaborative building.

Value – Focus was placed on establishing and meeting its Vizient ranking goal, implementing comprehensive navigation and integrating goal-concordant care. With respect to the Vizient ranking goal, U. T. M. D. Anderson implemented a monthly review of readmissions; created a new quality metric dashboard; and generated Vizient monthly reports. In the first quarter of 2022, U. T. M. D. Anderson ranked No. 8 in the nation by Vizient and was positioned as a five-star organization. To realize a comprehensive navigation program for patients, the institution completed a first round of literature reviews, stakeholder focus groups, and patient interviews. Potential demo sites are now being evaluated. To pursue the goal of integrating goal-concordant care, the University trained in Ariadne's *Serious Illness Conversation Guide* and provided substantive education and feedback to clinicians. Advanced care planning notes have increased from 16 percent in March 2020 to 62 percent in November 2021 in the ambulatory setting.

The FY 2023 financial and operational macro assumptions include ensuring that multiple sources of revenues 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. To mitigate inflation pressures (labor and supply chain), the University will maintain market competitiveness to attract and retain its workforce; ensure optimum utilization of premium pay; and leverage supplier relationships to minimize supply chain interruptions. Budget includes aligning the capital decision making process with U. T. M. D. Anderson's strategic, operational, and financial planning, driven by impact analysis and cost-benefit considerations.

Revenue

FY 2023 operating revenue is projected to increase by \$655 million or 11.4 percent over levels budgeted for FY 2022. This increase is driven by a \$588 million increase in revenue for the hospital and faculty practice plan due to service line increased volumes and growth plans. Productivity continues to gradually increase and includes charge master increases based on latest market and CPI data. It includes increases of \$61 million in sponsored programs and \$86 million in nonoperating revenues gifts and net investment income.

Expenses

FY 2023 operating expenses are expected to increase by \$647 million or 11.5 percent over levels budgeted for FY 2022. This includes the FY 2022 projected growth in expenditures of \$184 million over the amount budgeted in FY 2022 due to increased personnel costs and medical and drug supplies needed to support increased hospital and practice plan revenues. Fiscal stewardship measures include business travel expense adjusted to FY 2019 levels, an overall reduction of costs per full-time employee through major operational efficiency opportunities, and efficient use of space with savings in real estate expenses via the Work Transformation initiative.

The University of Texas M. D. Anderson Cancer Center
Operating Budget
Fiscal Year Ending August 31, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 1,907,348	1,929,388	1,981,910	52,522	2.7%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	-	0.0%
Federal Sponsored Programs	258,988,238	239,699,274	271,937,640	32,238,366	13.4%
State Sponsored Programs	44,153,420	45,721,776	46,361,091	639,315	1.4%
Local and Private Sponsored Programs	257,527,490	242,492,984	270,403,864	27,910,880	11.5%
Net Sales and Services of Educational Activities	1,443,776	2,000,000	1,500,000	(500,000)	-25.0%
Net Sales and Services of Hospital and Clinics	4,784,151,078	4,621,898,988	5,176,038,171	554,139,183	12.0%
Net Professional Fees	447,967,831	431,664,830	465,908,164	34,243,334	7.9%
Net Auxiliary Enterprises	35,204,843	30,800,054	36,891,131	6,091,077	19.8%
Other Operating Revenues	118,860,340	124,768,086	125,000,000	231,914	0.2%
Total Operating Revenues	5,950,194,364	5,740,965,380	6,396,011,971	655,046,591	11.4%
Operating Expenses:					
Compensation - Faculty	902,851,024	870,436,849	961,536,340	91,099,491	10.5%
Compensation - Non-Faculty	1,691,533,285	1,624,739,898	1,793,025,281	168,285,383	10.4%
Wages	53,129,945	47,052,134	54,190,899	7,138,765	15.2%
Benefits	598,603,586	620,081,176	646,024,158	25,942,982	4.2%
Personnel Costs	3,246,117,840	3,162,310,057	3,454,776,678	292,466,621	9.2%
Utilities	47,555,320	50,109,181	47,963,382	(2,145,799)	-4.3%
Scholarships and Fellowships	4,756,320	3,371,247	4,339,133	967,886	28.7%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	-	0.0%
Operations, Maintenance and Travel	2,476,383,538	2,821,884,088	3,365,987,666	544,103,578	19.3%
Less Capitalized Portion and Cap Lease/SBITA	(343,000,000)	(821,771,440)	(972,330,315)	(150,558,875)	18.3%
Depreciation and Amortization	373,190,769	404,816,214	367,365,197	(37,451,017)	-9.3%
Total Operating Expenses	5,804,993,787	5,620,709,347	6,268,091,741	647,382,394	11.5%
Operating Surplus/Deficit	145,200,577	120,256,033	127,920,230	7,664,197	6.4%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	210,012,471	210,201,805	209,789,133	(412,672)	-0.2%
Federal Sponsored Programs (Nonoperating)	38,311,693	600,000	600,000	-	0.0%
State/Local Sponsored Programs (Nonoperating)	-	-	-	-	-
Gifts in Support of Operations	129,111,833	103,967,352	125,000,000	21,032,648	20.2%
Net Investment Income	347,000,000	305,000,000	370,000,000	65,000,000	21.3%
Other Non-Operating Revenue	649,778	-	-	-	-
Other Non-Operating (Expenses)	(2,990,023)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	722,095,752	619,769,157	705,389,133	85,619,976	13.8%
Transfers and Other:					
AUF/Approp Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(32,343,642)	(32,368,657)	(31,872,383)	496,274	-1.5%
Total Transfers and Other	(32,343,642)	(32,368,657)	(31,872,383)	496,274	-1.5%
Budget Margin (Deficit)	834,952,687	707,656,533	801,436,980	93,780,447	13.3%
Reconciliation to Change in Net Position:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	(643,795,496)	-	-	-	-
Interest Expense on Capital Asset Financings	(30,792)	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	9,533,828	200,000	30,792	(169,208)	-84.6%
Additions to Permanent Endowments	-	12,750,000	9,533,828	(3,216,172)	-25.2%
Transfers for Debt Service - Principal	(109,507,000)	(116,136,000)	(100,510,000)	15,626,000	-13.5%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	23,792,696	53,517,383	20,063,868	(33,453,515)	-62.5%
SRECNP Change in Net Position	\$ 114,945,923	657,987,916	730,555,468	72,567,552	11.0%
Total Revenues and AUF/Approp Transfers	\$ 6,675,280,139	6,360,734,537	7,101,401,104	740,666,567	11.6%
Total Expenses (Including Transfers for Interest)	(5,840,327,452)	(5,653,078,004)	(6,299,964,124)	(646,886,120)	11.4%
Budget Margin (Deficit)	\$ 834,952,687	707,656,533	801,436,980	93,780,447	
Reconciliation to Use of Prior Year Balances					
Depreciation		404,816,214	367,365,197		
Capital Outlay		(788,000,000)	(942,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(147,670,031)	(128,807,138)		
Budgeted Transfers		-	-		
Net Additions to (Uses of) Prior Year Balances		176,802,716	97,995,039		

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, 2023

	FY 2022 Projected	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
				Amount	Percent
Operating Expenses:					
Instruction	\$ 103,727,621	105,160,806	108,439,806	3,279,000	3.1%
Academic Support	202,838,076	208,428,087	209,937,409	1,509,322	0.7%
Research	911,408,298	880,194,088	952,206,841	72,012,753	8.2%
Public Service	23,708,994	25,964,820	23,946,084	(2,018,736)	-7.8%
Hospitals and Clinics	3,777,751,999	3,564,843,812	4,160,383,143	595,539,331	16.7%
Institutional Support	167,384,919	171,662,392	184,820,941	13,158,549	7.7%
Student Services	1,736,293	612,160	1,736,293	1,124,133	183.6%
Operations and Maintenance of Plant	220,964,746	236,763,681	232,794,780	(3,968,901)	-1.7%
Scholarships and Fellowships	3,013,056	2,460,754	3,540,056	1,079,302	43.9%
Auxiliary Enterprises	19,269,016	19,802,533	22,921,191	3,118,658	15.7%
Depreciation and Amortization	373,190,769	404,816,214	367,365,197	(37,451,017)	-9.3%
Total Operating Expenses	\$ 5,804,993,787	5,620,709,347	6,268,091,741	647,382,394	11.5%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2023

	FY 2022 Adjusted Budget	FY 2023 Operating Budget	Budget Increases (Decreases) From 2022 to 2023	
			Amount	Percent
Educational and General	\$ 4,209,408,108	4,635,510,687	426,102,579	10.1%
Designated	659,893,310	800,120,194	140,226,884	21.2%
Auxiliary	28,112,745	31,089,908	2,977,163	10.6%
Available University Fund	-	-	-	-
Restricted	498,527,658	594,695,276	96,167,618	19.3%
Unexpended Plant	788,000,000	942,000,000	154,000,000	19.5%
Subtotal - Expenditures (All Funds)	6,183,941,821	7,003,416,065	819,474,244	13.3%
Reconciling Adjustments:				
Tuition Discounting	(10,000)	(10,000)	-	0.0%
Depreciation	404,816,214	367,365,197	(37,451,017)	-9.3%
Capital Outlay	(788,000,000)	(942,000,000)	(154,000,000)	19.5%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(147,670,031)	(128,807,138)	18,862,893	-12.8%
Total Expenses (Including Transfers for Interest)	\$ 5,653,078,004	6,299,964,124	646,886,120	11.4%

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

The University of Texas System

Fiscal Year 2023

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	
Academic Institutions					
The University of Texas at Arlington	\$ 65,000	763,350	10,317,798	-	11,146,148
The University of Texas at Austin	-	3,113,295	3,459,217	-	6,572,512
The University of Texas at Dallas	-	800,000	16,309,629	-	17,109,629
The University of Texas at El Paso	-	1,275,000	3,824,735	-	5,099,735
The University of Texas Permian Basin	-	1,197,903	2,720,115	-	3,918,018
The University of Texas Rio Grande Valley	-	-	7,636,769	-	7,636,769
The University of Texas at San Antonio	-	-	10,289,755	-	10,289,755
The University of Texas at Tyler	-	255,000	3,893,850	-	4,148,850
Subtotal Academic Institutions	<u>65,000</u>	<u>7,404,548</u>	<u>58,451,868</u>	<u>-</u>	<u>65,921,416</u>
Health Institutions					
The University of Texas Southwestern Medical Center	-	-	2,400,000	-	2,400,000
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	-	600,000	1,800,000	-	2,400,000
The University of Texas Health Science Center at San Antonio	700,000	1,000,000	700,000	-	2,400,000
The University of Texas M. D. Anderson Cancer Center	-	-	2,400,000	-	2,400,000
Subtotal Health Institutions	<u>1,900,000</u>	<u>1,600,000</u>	<u>8,500,000</u>	<u>-</u>	<u>12,000,000</u>
The University of Texas System Administration					
Academic Library Collection Enhancement Program	5,000,000	-	-	-	5,000,000
Shared Information Services/ARDC Capital Refresh	-	2,000,000	-	-	2,000,000
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	<u>5,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>35,000,000</u>	<u>42,000,000</u>
Grand Total	\$ <u>6,965,000</u>	<u>11,004,548</u>	<u>66,951,868</u>	<u>35,000,000</u>	<u>119,921,416</u>

The University of Texas System

Fiscal Year 2023

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

INSTITUTION/NAME OF PROJECT	Library Books and/or Materials PUF ALLOCATION	Capital Equipment PUF ALLOCATION	Repair and/or Rehabilitation PUF ALLOCATION	Faculty STARs PUF ALLOCATION	Total ALLOCATION
ACADEMIC INSTITUTIONS					
The University of Texas at Arlington					
Central Library Building - Window Replacement			1,057,485		1,057,485
Energy Management Heating, Ventilation and Air Conditioning Control System Upgrade Phase II			400,000		400,000
Student Success Through Project-Based Learning					107,000
Ben Agger Theory Library Expansion	65,000	107,000			65,000
Physics Teaching Observatory and Astronomy Teaching Lab Upgrades		63,000			63,000
Civil Engineering Undergraduate Instructional Laboratories Equipment		250,000			250,000
Upgrade Computer Science and Engineering Teaching Laboratories		98,750			98,750
Planetarium Projection Equipment		50,000			50,000
Bachelor Degree - School of Nursing Rural Health Initiative		19,600			19,600
Heating, Ventilation and Air Conditioning System for Computer Lab		100,000			100,000
Police Building - Replace Heat, Ventilation and Air Conditioning Rooftop Units		75,000			75,000
* Additional Allocation of LERR - Pending Assignment to Campus Projects			8,860,313		8,860,313
TOTAL	\$ 65,000	763,350	10,317,798	-	11,146,148
The University of Texas at Austin					
Libraries Digital Infrastructure		500,000			500,000
Data Center Network Lifecycle		2,613,295			2,613,295
* Additional Allocation of LERR - Pending Assignment to Campus Projects			3,459,217		3,459,217
TOTAL	\$ -	3,113,295	3,459,217	-	6,572,512
The University of Texas at Dallas					
Academic Affairs Science and Engineering Laboratory Equipment		800,000			800,000
Electrical Upgrades Various Building Phase IV			651,617		651,617
Heating, Ventilation, and Air Conditioning Upgrades Buildings Phase III			800,000		800,000
* Additional Allocation of LERR - Pending Assignment to Campus Projects			14,858,012		14,858,012
TOTAL	\$ -	800,000	16,309,629	-	17,109,629
The University of Texas at El Paso					
Research and Technology Infrastructure for New Faculty		1,000,000			1,000,000
Diana Natalicio Institute Space Renovation			280,000		280,000
Generator for Redundant Network Core		275,000			275,000
The American with Disabilities Act Compliance			552,900		552,900
* Additional Allocation of LERR - Pending Assignment to Campus Projects			2,991,835		2,991,835
TOTAL	\$ -	1,275,000	3,824,735	-	5,099,735
The University of Texas Permian Basin					
Center for Energy and Economic Diversification Lecture Hall Rehabilitation			300,000		300,000
Replace Visual Arts Studio Heat exchanger with Hot Water Boiler			100,000		100,000
Critical Fire Sprinkler Head and Fire Safety Equipment Replacement			120,000		120,000
Physical Plant Storage Building		272,903			272,903
Physical Plant Equipment		250,000			250,000
Campus Transportation		179,000			179,000
Music Instrument Replacement and Acquisition		196,000			196,000
High Performance Computing Environment		300,000			300,000
Replace Programmable T-Stats with Wi-Fi Net-Workable T-Stats			13,000		13,000
Thermal Plant Plate and Frame Heat Exchanger			125,000		125,000
* Additional Allocation of LERR - Pending Assignment to Campus Projects			2,062,115		2,062,115
TOTAL	\$ -	1,197,903	2,720,115	-	3,918,018
The University of Texas Rio Grande Valley					
Elevator and Heat, Ventilation, and Air Conditioning Upgrades			2,200,814		2,200,814
* Additional Allocation of LERR - Pending Assignment to Campus Projects			5,435,955		5,435,955
TOTAL	\$ -	-	7,636,769	-	7,636,769
The University of Texas at San Antonio					
University Wide Security System Upgrade			1,555,210		1,555,210
Southwest Classroom and Lab Renovations			664,182		664,182
* Additional Allocation of LERR - Pending Assignment to Campus Projects			8,070,363		8,070,363
TOTAL	\$ -	-	10,289,755	-	10,289,755
The University of Texas at Tyler					
Academic and Infrastructure Improvements			982,622		982,622
College of Arts and Science Roof Rehabilitation Project			427,622		427,622
Campus Wireless (Wi-Fi) Equipment Replacement Phase I			300,000		300,000
Replace Network Switch Equipment		100,000			100,000
Campus Security Video Surveillance and Bodycam Evidence Servers		155,000			155,000
* Additional Allocation of LERR - Pending Assignment to Campus Projects			2,183,606		2,183,606
TOTAL	\$ -	255,000	3,893,850	-	4,148,850
SUBTOTAL - ACADEMIC INSTITUTIONS	65,000	7,404,548	58,451,868	-	65,921,416

* Further guidance related to Additional Awards of LERR will be provided by the U. T. System Office of Budget and Planning

The University of Texas System

Fiscal Year 2023

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

INSTITUTION/NAME OF PROJECT	Library Books and/or Materials	Capital Equipment	Repair and/or Rehabilitation	Faculty STARS	Total ALLOCATION
	PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION	PUF ALLOCATION	
HEALTH INSTITUTIONS					
The University of Texas Southwestern Medical Center					
Refurbish and Renovate North Campus Academic and Research Space			2,400,000		2,400,000
TOTAL	\$ -	-	2,400,000	-	2,400,000
The University of Texas Medical Branch at Galveston					
Perpetual Information and Educational Resources	1,200,000				1,200,000
Schools of Allied Health Professions and Nursing Fire and Life Safety			525,000		525,000
Moody Medical Library Fire and Life Safety			250,000		250,000
Levin Hall Fire and Life Safety			425,000		425,000
TOTAL	\$ 1,200,000	-	1,200,000	-	2,400,000
The University of Texas Health Science Center at Houston					
Medical School Building Auditoriums Classroom Renovations			1,500,000		1,500,000
University Center Tower Data Center Upgrades			300,000		300,000
Storage Expansion		100,000			100,000
Datacenter Switch Replacement		500,000			500,000
TOTAL	\$ -	600,000	1,800,000	-	2,400,000
The University of Texas Health Science Center at San Antonio					
Perpetual Digital Journals and Databases	700,000				700,000
Technology Refresh and Expansion		1,000,000			1,000,000
Lab Animal Research Facility Renovation			700,000		700,000
TOTAL	\$ 700,000	1,000,000	700,000	-	2,400,000
The University of Texas M. D. Anderson Cancer Center					
South Campus Way-Finding			500,000		500,000
South Campus Research Building 1 Environmental Room Upgrade			800,000		800,000
Replace of Biological Safety Cabinets			700,000		700,000
Clinical Research Building and Basic Science Research Building Cold Rooms			400,000		400,000
TOTAL	\$ -	-	2,400,000	-	2,400,000
SUBTOTAL - HEALTH INSTITUTIONS	1,900,000	1,600,000	8,500,000	-	12,000,000
SYSTEM ADMINISTRATION					
The University of Texas System Administration					
Academic Library Collection Enhancement Program	5,000,000			-	5,000,000
Shared Information Services/ARDC Capital Refresh		2,000,000			2,000,000
Faculty STARS Program - Academic Institutions				17,500,000	17,500,000
Faculty STARS Program - Health Institutions				17,500,000	17,500,000
TOTAL	\$ 5,000,000	2,000,000	-	35,000,000	42,000,000
SUBTOTAL - U. T. SYSTEM ADMINISTRATION	5,000,000	2,000,000	-	35,000,000	42,000,000
TOTAL - U. T. SYSTEM	6,965,000	11,004,548	66,951,868	35,000,000	119,921,416

**FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) PROGRAM
INCLUDING THE RISING 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 to be used in both programs as follows.

STARS Allocations			
	FY 2004 – FY 2021	FY 2022	Proposed FY 2023
Academic Institutions	\$261,950,000	\$ 17,500,000	\$ 17,500,000
Health Institutions	\$214,050,000	\$ 17,500,000	\$ 17,500,000
TOTAL	\$476,000,000	\$ 35,000,000	\$ 35,000,000

The Faculty STARS program 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 through start-up or retention packages. The Rising STARS program makes up to \$300,000 available for recruitment of promising faculty members who are recruited or retained in a tenure track position at any academic level. For both programs, 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 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, 2023

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, 2023

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, 2023

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, 2023

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 Texas *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, 2023

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARs, OR SIMILARLY 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 similarly 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 Texas *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 Texas *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.