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**Committee Meeting:** 11/16/2022

**Board Meeting:** 11/17/2022  
Austin, Texas

*Janiece Longoria, Chairman*  
*R. Steven Hicks*  
*Jodie Lee Jiles*  
*Stuart W. Stedman*  
*Kelcy L. Warren*  
*Rad Weaver*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>2:30 p.m.</i> <i>Chairman Longoria</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<b>Discussion</b>	<b>Action</b>	<b>42</b>
2. <b>U. T. System: Financial Status Presentation</b>	<b>Report/Discussion</b> <i>Mr. Pruitt</i>	Not on Agenda	<b>43</b>
3. <b>U. T. System Board of Regents: University Lands Update</b>	<b>Report/Discussion</b> <i>Mr. Murphy</i>	Not on Agenda	<b>52</b>
<b>Adjourn</b>	<i>3:00 p.m.</i>		

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 3 - 10](#).

**2. U. T. System: Financial Status Presentation**

Mr. Jonathan Pruitt, Executive Vice Chancellor for Business Affairs, will discuss the Financial Status Presentation, the highlights of which are set forth in the PowerPoint on the following pages. The report represents the consolidated and individual operating detail of the U. T. institutions.

# U. T. System FY 2022 Financials

**Jonathan Pruitt**

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting

Finance and Planning Committee

November 2022



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THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

# U. T. System Consolidated Summary

Fiscal Year Summary  
Period Ending July 31, 2022



**Revenue**  
\$24,226.3 M



**Expense**  
\$22,307.2 M



**Adjusted Income**  
\$1,919.1 M



**FYE Projection**  
\$2,464.7 M

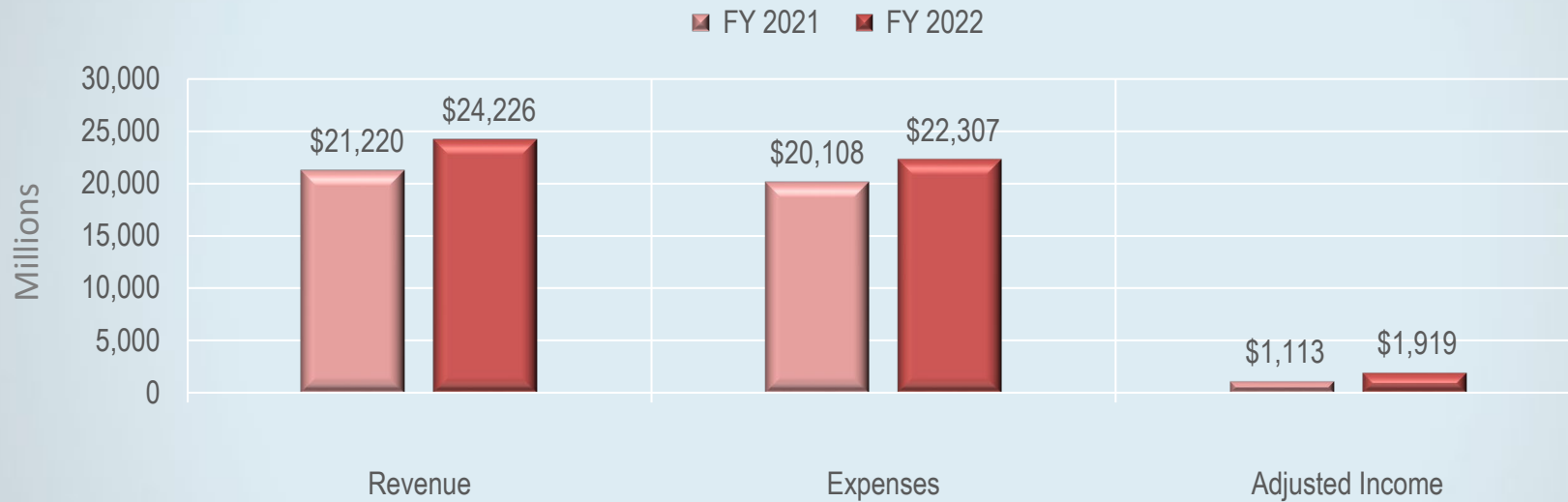


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*Excludes OPEB & Pension Expenses*

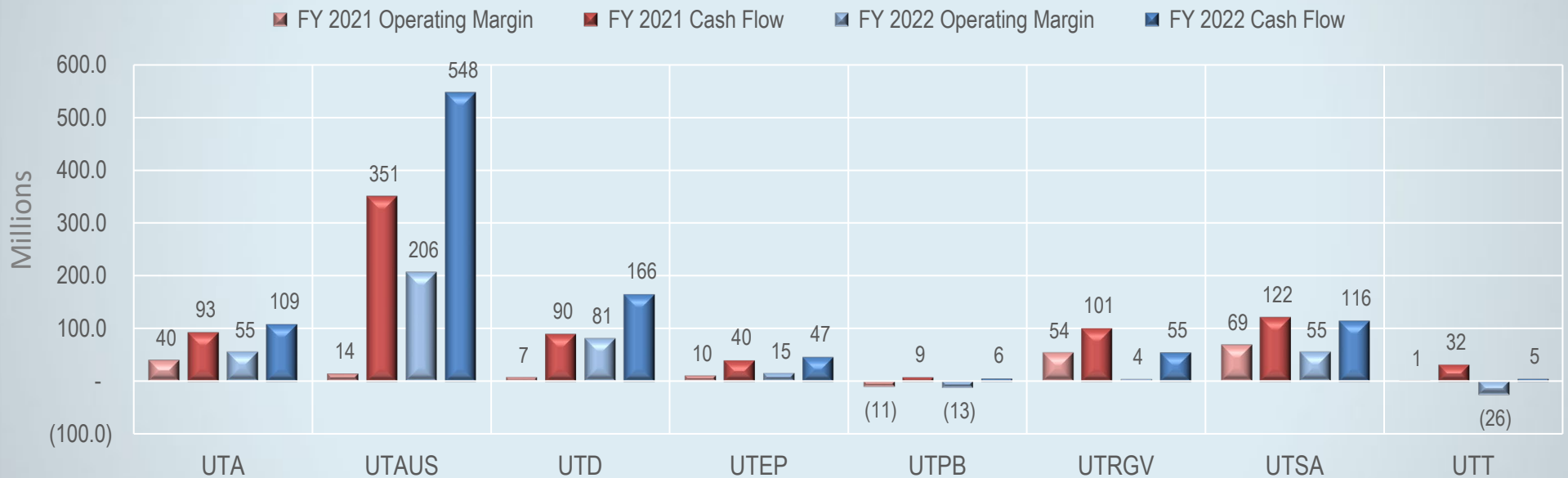
# U. T. System Consolidated Revenue & Expenses

## Year-Over-Year Comparison (July)



# Adjusted Income – Academic Institutions

## Year-Over-Year Comparison (July)

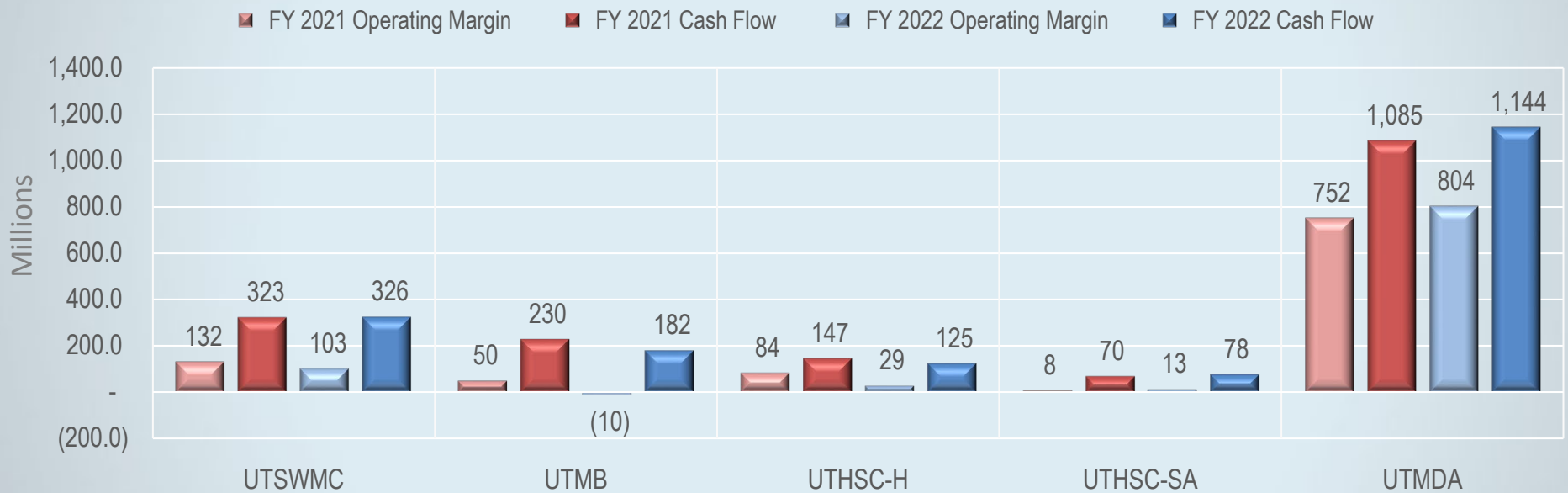


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Operating Margin – with depreciation  
Cash Flow – without depreciation

# Adjusted Income – Health Institutions

## Year-Over-Year Comparison (July)



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*Operating Margin – with depreciation*  
*Cash Flow – without depreciation*



# Budget to Actuals – Academic Institutions

FY 2022  
July

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenue	Expenses	Operating Margin	Margin Ratio	Revenue	Expense	Operating Margin	Margin Ratio	
U. T. Arlington	\$ 752.0	\$ 760.8	\$ (8.7)	(1.2)%	\$ 731.0	\$ 675.6	\$ 55.4	7.6%	▲
U. T. Austin	\$ 2,955.2	\$ 3,137.5	\$ (182.3)	(6.2)%	\$ 3,559.4	\$ 3,352.9	\$ 206.5	5.8%	▲
U. T. Dallas	\$ 764.8	\$ 779.8	\$ (15.0)	(2.0)%	\$ 760.1	\$ 679.2	\$ 80.9	10.6%	▲
U. T. El Paso	\$ 534.2	\$ 558.2	\$ (24.0)	(4.5)%	\$ 476.1	\$ 461.0	\$ 15.2	3.2%	▲
U. T. Permian Basin	\$ 102.9	\$ 118.0	\$ (15.1)	(14.7)%	\$ 103.5	\$ 116.5	\$ (13.0)	(12.6)%	▼
U. T. Rio Grande Valley	\$ 665.9	\$ 691.6	\$ (25.7)	(3.9)%	\$ 602.1	\$ 598.5	\$ 3.6	0.6%	▲
U. T. San Antonio	\$ 724.4	\$ 731.4	\$ (7.0)	(1.0)%	\$ 708.9	\$ 653.5	\$ 55.3	7.8%	▲
U. T. Tyler	\$ 526.7	\$ 541.9	\$ (15.2)	(2.9)%	\$ 472.0	\$ 498.1	\$ (26.2)	(5.6)%	▼
<b>Total</b>	<b>\$ 7,026.1</b>	<b>\$ 7,319.2</b>	<b>\$ (293.0)</b>	<b>(4.2)%</b>	<b>\$ 7,413.1</b>	<b>\$ 7,035.3</b>	<b>\$ 377.7</b>	<b>5.1%</b>	<b>▲</b>



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# Budget to Actuals – Health Institutions

FY 2022  
July

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenue	Expenses	Operating Margin	Margin Ratio	Revenue	Expense	Operating Margin	Margin Ratio	
U. T. Southwestern Medical Center	\$ 4,090.9	\$ 4,059.3	\$ 31.6	0.8%	\$ 4,098.6	\$ 3,995.5	\$ 103.1	2.5%	▲
U. T. Medical Branch - Galveston	\$ 2,537.4	\$ 2,545.8	\$ (8.4)	(0.3)%	\$ 2,427.4	\$ 2,437.8	\$ (10.4)	(0.4)%	▼
U. T. Health Science Center - Houston	\$ 2,054.0	\$ 2,043.8	\$ 10.2	0.5%	\$ 1,960.3	\$ 1,931.8	\$ 28.5	1.5%	▲
U.T. Health Science Center - San Antonio	\$ 1,080.5	\$ 1,095.1	\$ (14.6)	(1.4)%	\$ 1,055.9	\$ 1,042.7	\$ 13.2	1.3%	▲
U. T. M. D. Anderson Cancer Center	\$ 6,360.7	\$ 5,653.1	\$ 707.6	11.1%	\$ 6,107.1	\$ 5,303.2	\$ 803.9	13.2%	▲
<b>Total</b>	<b>\$ 16,123.5</b>	<b>\$ 15,397.1</b>	<b>\$ 726.4</b>	<b>4.5%</b>	<b>\$ 15,649.3</b>	<b>\$ 14,711.0</b>	<b>\$ 938.3</b>	<b>6.0%</b>	<b>▲</b>



# Financial Summary

## Systemwide Operations August 2022

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$ 55,405,440	\$ 52,449,817	95%
Direct Campus Support (AUF)	\$ 41,459,566	\$ 42,656,946	103%
Other Operations Funded with AUF Reserves	\$ 50,000	\$ 78,851	158%
Service Departments & Other Non-AUF	\$ 58,719,378	\$ 48,518,414	83%
<b>Total</b>	<b>\$ 155,634,384</b>	<b>\$ 143,704,028</b>	<b>92%</b>



**3. U. T. System Board of Regents: University Lands Update**

Mr. Billy Murphy, Chief Executive Officer - University Lands, will report on matters related to University Lands using the PowerPoint presentation set forth on the following pages.

# University Lands Update

William R. “Billy” Murphy, Jr., Chief Executive Officer

U. T. System Board of Regents Meeting  
Finance and Planning Committee  
November 2022



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# FY 2022 Gross Oil Production and Average Oil Price

FY22 PUF Total

**\$2.12B**

Mineral Only  
*(oil and gas prod)*

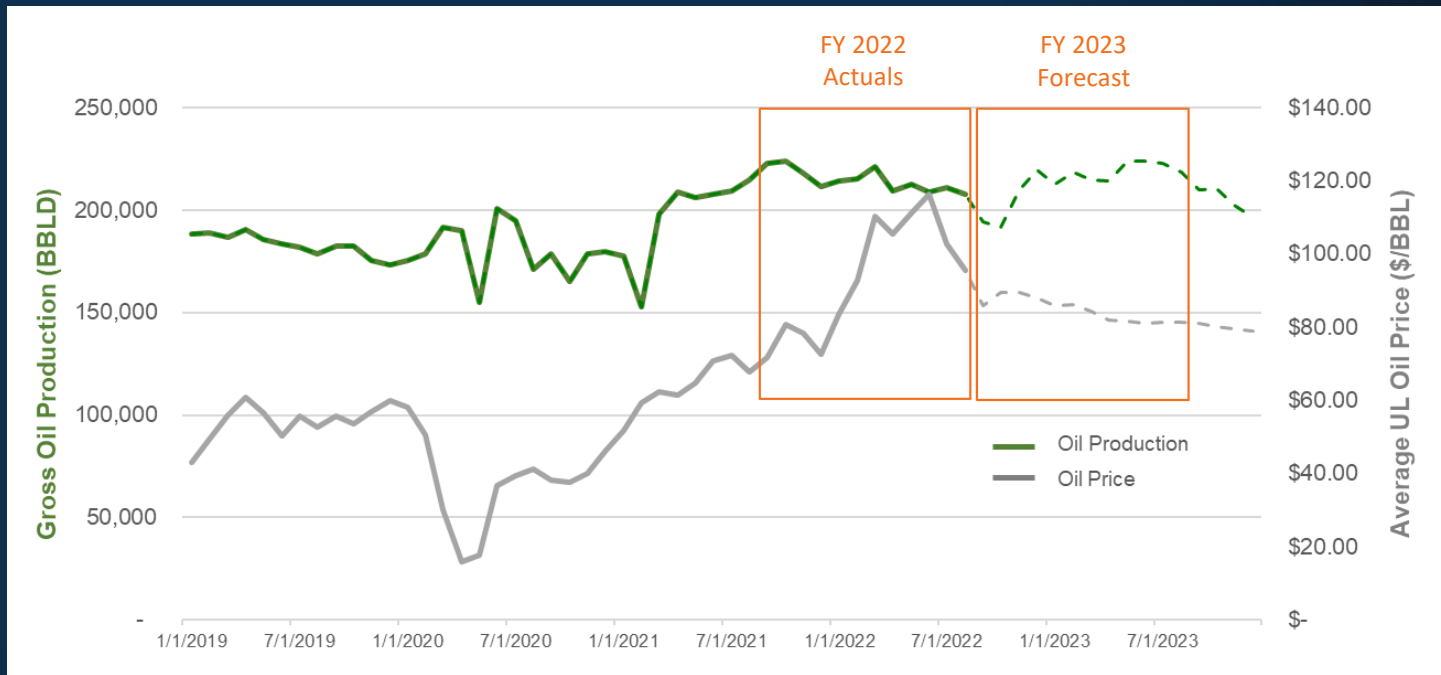
**\$1.98B**

Average Oil Price

**\$88.58**

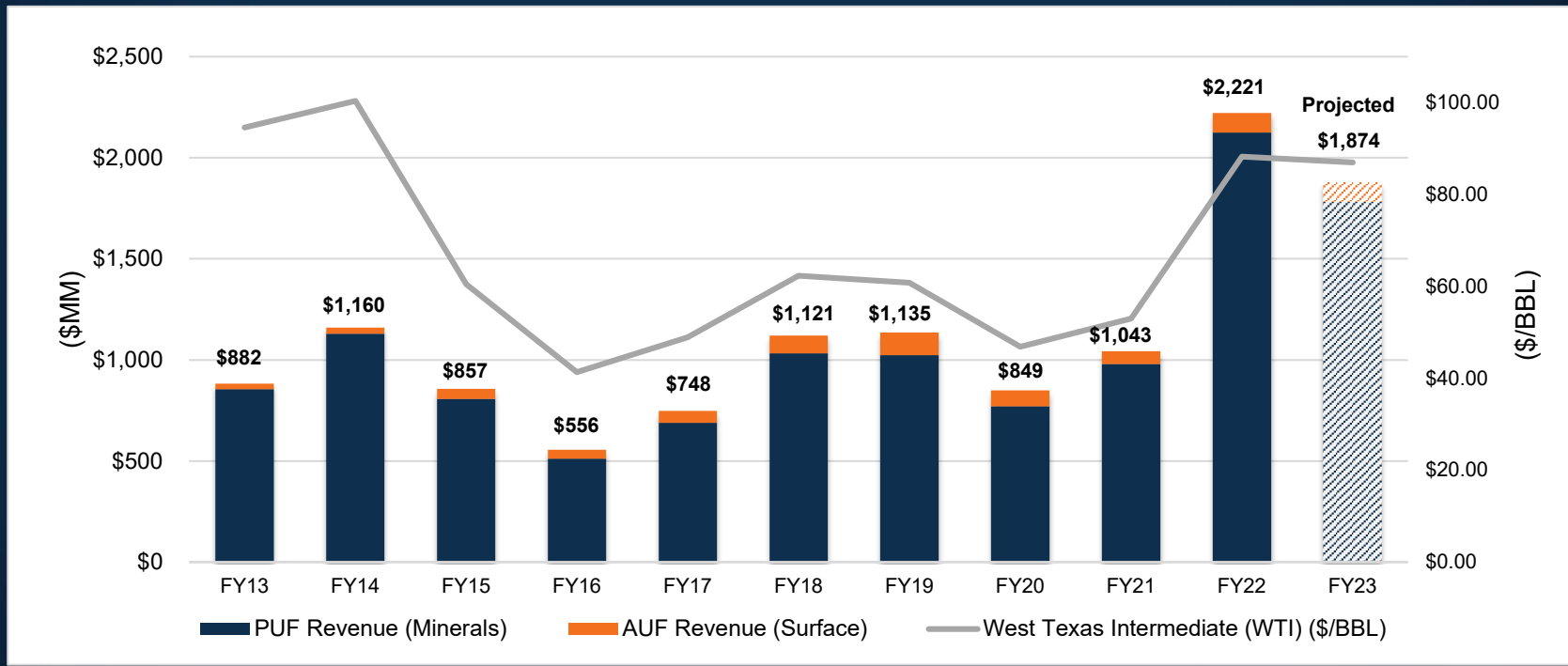
Average Gas Price

**\$7.43**



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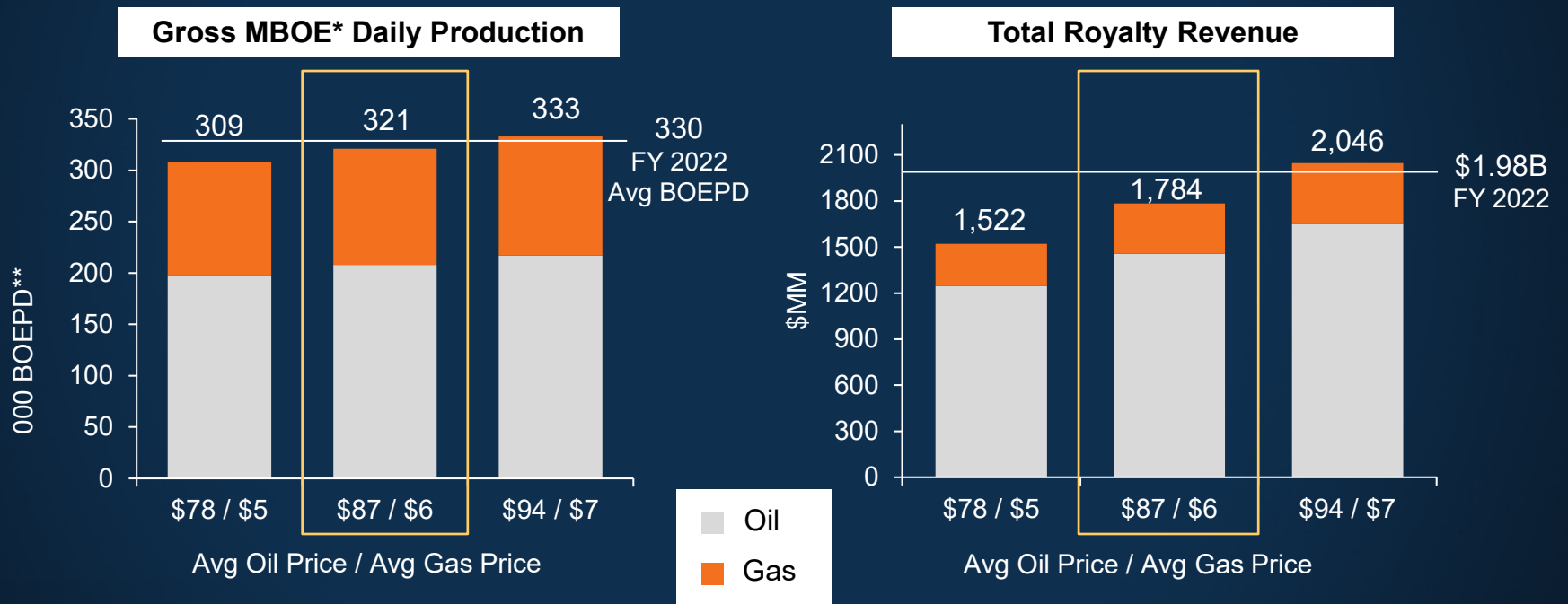
# Permanent University Fund (PUF) and Available University Fund (AUF) Revenue vs. Average Oil Price



# FY 2023 Production and PUF Revenue Outlook

## FY 2023 Bottoms-Up Forecast

Revenue is highly dependent on price, but year ahead volumes less so



\*MBOE – Thousands of Barrels of Oil Equivalent  
 \*\*BOE\*\*PD – Barrels of Oil Equivalent Per Day



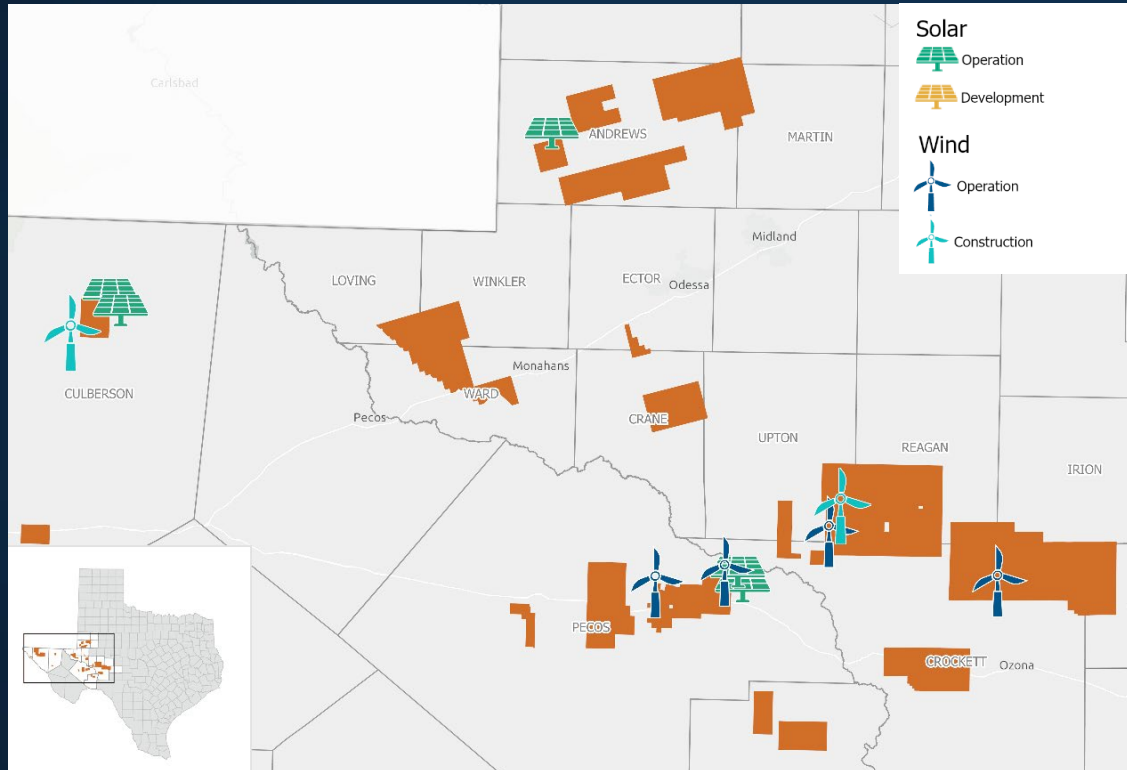
# Lease Sale Results

## UPFRONT LEASE PAYMENT

# \$55,346,440

Acres Offered		Acres Leased	
	<b>186,232</b>		<b>21,939</b>
Delaware	17,887	Delaware	3,203
N. Midland	41,658	N. Midland	960
S. Midland	125,482	S. Midland	17,776
50 Leagues	1,205	50 Leagues	0

# Wind, Solar Leases



## In Operation

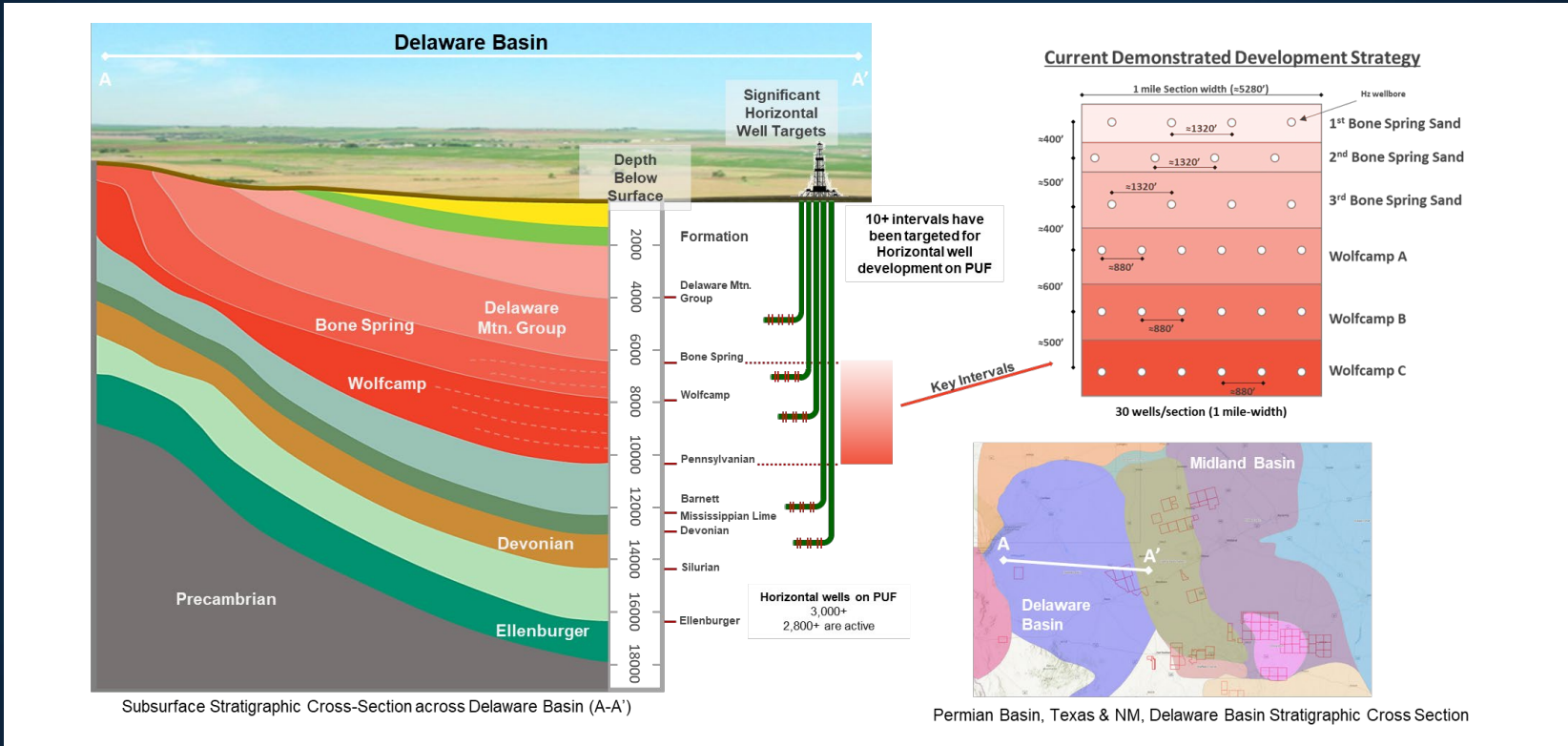
	Leases	Total Acres	Total Est. MW Capacity	Equivalent # of Houses Powered
Solar	5	8,600	1,328	224,900
Wind	4	54,760	375	63,500

## In Development





	Leases	Total Acres
Wind	2	31,400



# Delaware Basin Development



# Oil and Gas Market Environment

Pricing	
Production	
Operator Stability	
Activity	

- Commodity prices are creating excellent near-term cash flows for operators
- Permian Basin remains the preferred basin
- Capital remains limited for development
- Overall activity increasing but within operator cash flow

