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Committee Meeting: 11/15/2023

Board Meeting: 11/16/2023
Austin, Texas

Janiece Longoria, Chairman
Robert P. Gauntt
Jodie Lee Jiles
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>2:30 p.m.</i> <i>Chairman Longoria</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	43
2. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	44
3. U. T. System: University Lands Update	Report/Discussion <i>Mr. Murphy</i>	Not on Agenda	72
Adjourn	<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 Board will be asked to approve the Consent Agenda beginning on [Page 166](#).

2. U. T. System: Financial Status Presentation and Monthly Financial Report

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 and the July Monthly Financial Report, which follows the PowerPoint. The monthly financial report represents the consolidated and individual operating detail of the U. T. institutions.

U. T. System

Projected Fiscal Year-End

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting
Finance and Planning Committee
November 2023

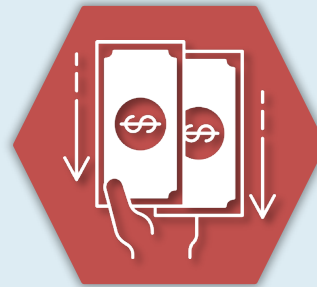


U. T. System Consolidated Summary

Projected Fiscal Year-End 2023



Projected Revenues
\$28,140.9 M



Projected Expenses
\$24,237.9 M

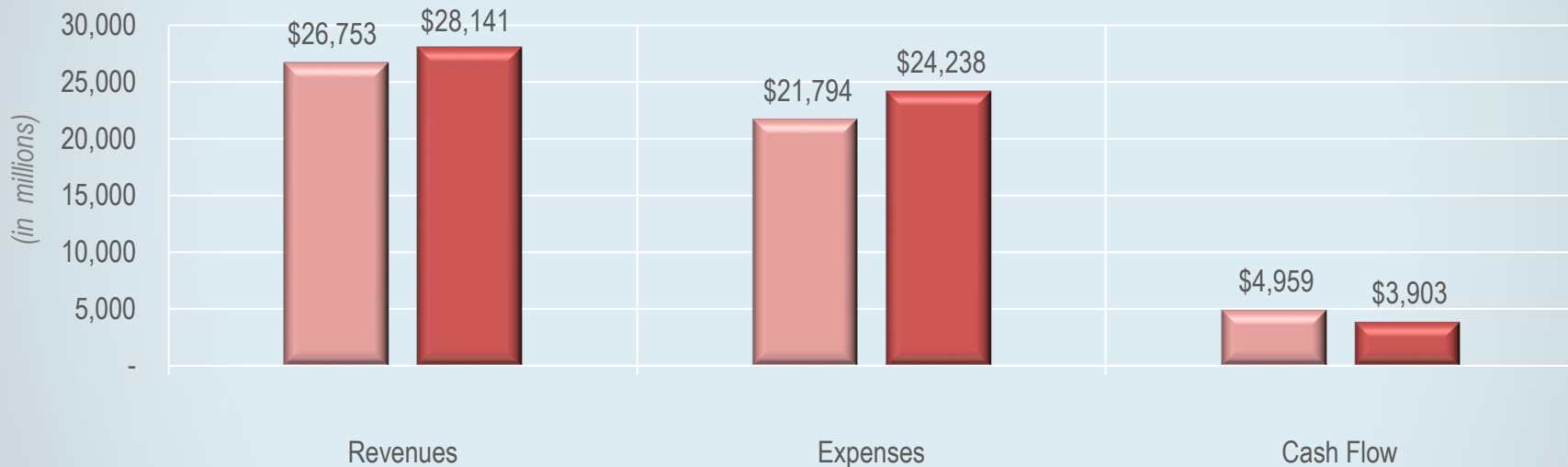


FYE Projected Cash Flow
\$3,903.0 M

U. T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (FYE 2022 vs. Projected FYE 2023)

■ FYE 2022 Cash Flow Margin ■ Projected FYE 2023 Cash Flow Margin



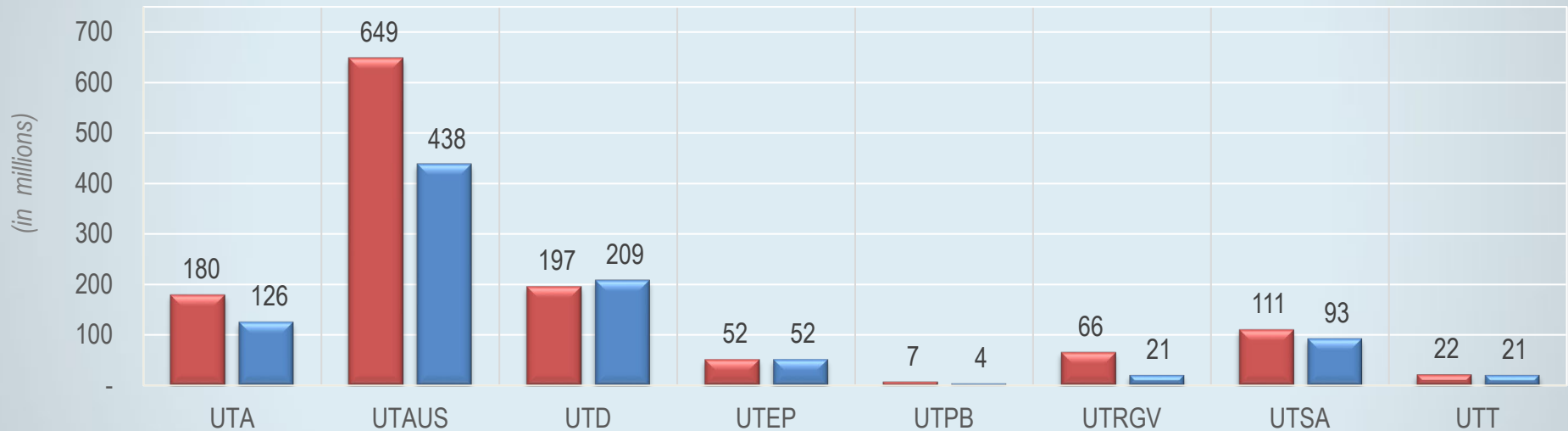
Excludes OPEB, Pension & Depreciation Expenses

Cash Flow Margin – Academic Institutions

Year-Over-Year Comparison

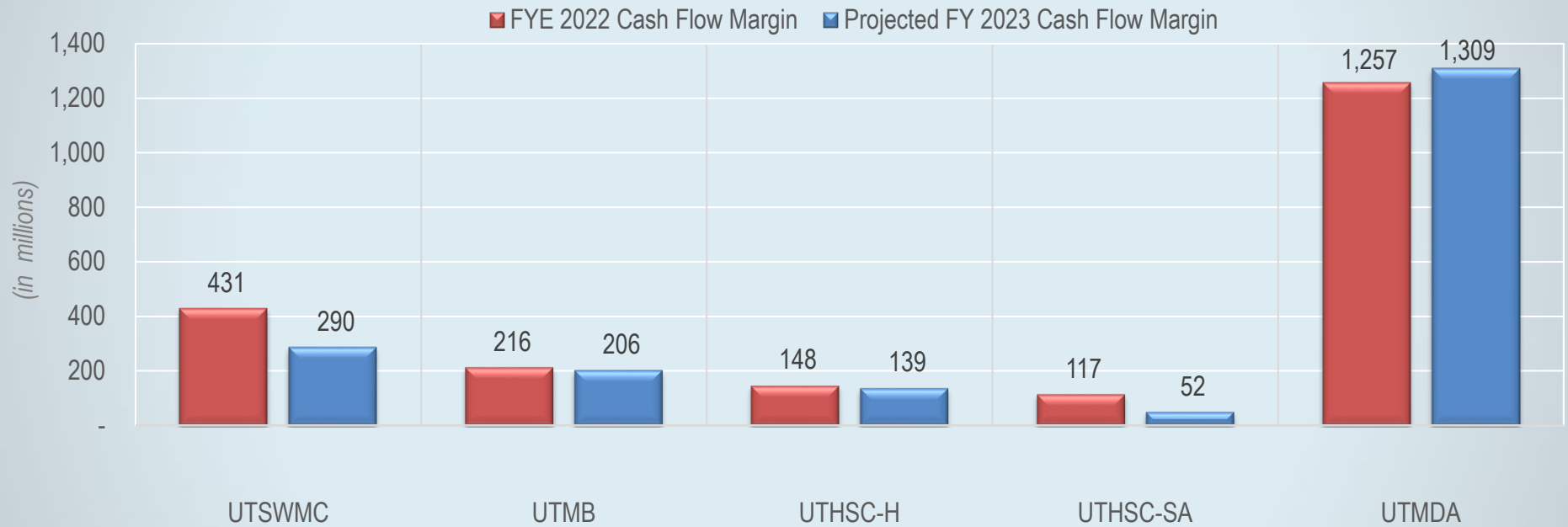
(FYE 2022 vs. Projected FYE 2023)

■ FYE 2022 Cash Flow Margin ■ Projected FY 2023 Cash Flow Margin



Cash Flow Margin – Health Institutions

Year-Over-Year Comparison (FYE 2022 vs. Projected FYE 2023)



Budget to Projected – Academic Institutions

Projected FY 2023

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U. T. Arlington	\$782.7	\$739.7	\$43.0	5.5%	\$863.7	\$738.0	\$125.7	14.6%	▲
U. T. Austin	\$2,972.8	\$2,686.3	\$286.5	9.6%	\$3,932.0	\$3,493.9	\$438.1	11.1%	▲
U. T. Dallas	\$792.4	\$709.0	\$83.4	10.5%	\$890.5	\$681.8	\$208.7	23.4%	▲
U. T. El Paso	\$531.0	\$507.4	\$23.6	4.4%	\$548.6	\$496.6	\$52.0	9.5%	▲
U. T. Permian Basin	\$94.1	\$89.3	\$4.8	5.1%	\$108.5	\$104.7	\$3.8	3.5%	▲
U. T. Rio Grande Valley	\$632.5	\$619.0	\$13.5	2.1%	\$631.6	\$610.9	\$20.7	3.3%	▲
U. T. San Antonio	\$684.9	\$648.0	\$36.8	5.4%	\$745.8	\$653.0	\$92.8	12.4%	▲
U. T. Tyler	\$535.9	\$514.1	\$21.7	4.1%	\$548.6	\$527.9	\$20.7	3.8%	▲
Total	\$7,026.1	\$6,512.8	\$513.3	7.3%	\$8,269.2	\$7,306.8	\$962.5	11.6%	▲

Budget to Projected – Health Institutions

Projected FY 2023

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U. T. Southwestern Medical Center	\$4,580.3	\$4,243.2	\$337.0	7.4%	\$4,745.9	\$4,456.2	\$289.8	6.1%	▲
U. T. Medical Branch - Galveston	\$2,734.9	\$2,527.4	\$207.5	7.6%	\$2,891.0	\$2,685.5	\$205.5	7.1%	▲
U. T. Health Science Center - Houston	\$2,258.1	\$2,177.4	\$80.7	3.6%	\$2,307.4	\$2,168.5	\$138.9	6.0%	▲
U. T. Health Science Center - San Antonio	\$1,205.4	\$1,153.7	\$51.8	4.3%	\$1,312.6	\$1,260.6	\$52.0	4.0%	▲
U. T. M. D. Anderson Cancer Center	\$7,101.4	\$5,932.6	\$1,168.8	16.5%	\$7,406.4	\$6,097.5	\$1,309.0	17.7%	▲
Total	\$17,880.1	\$16,034.3	\$1,845.9	10.3%	\$18,663.3	\$16,668.2	\$1,995.2	10.7%	▲

Financial Summary

Systemwide Operations August 2023

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$60,998,033	\$56,698,014	93%
Direct Campus Support (AUF)	\$61,700,000	\$56,808,249	92%
Service Departments & Other Non-AUF	\$62,805,782	\$49,247,052	78%
Total	\$185,503,815	\$162,753,315	88%

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

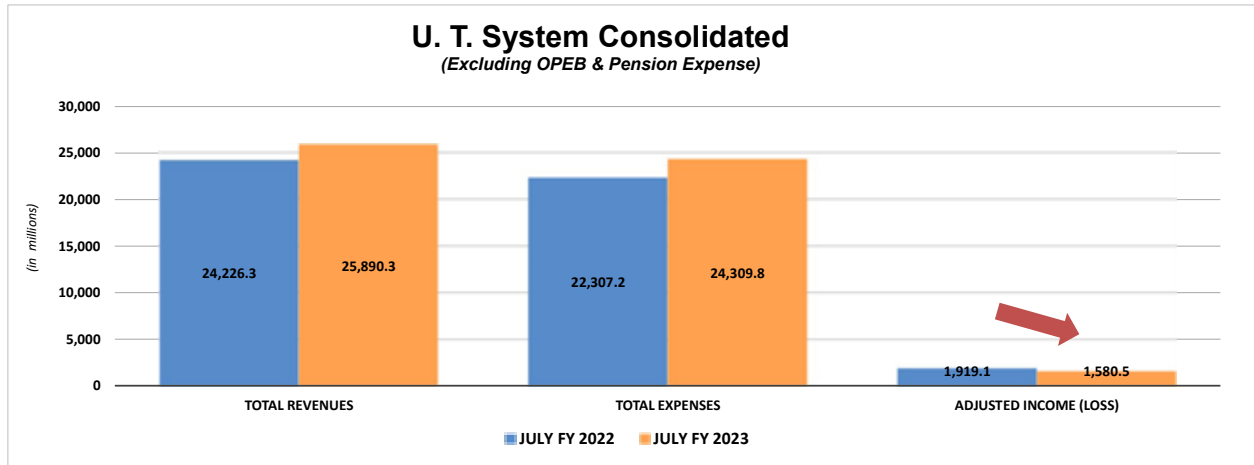
MONTHLY FINANCIAL REPORT *(unaudited)*

July 2023
FY 2023



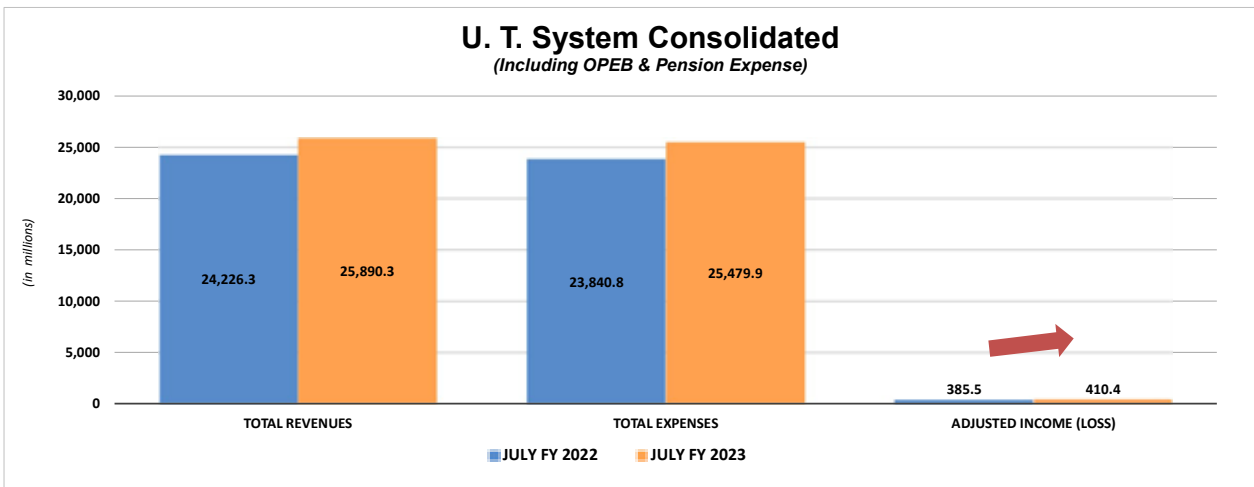
210 West Seventh Street
Austin, Texas 78701
512.499.4792
www.utsystem.edu/offices/budget-and-planning

Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending July 31, 2023

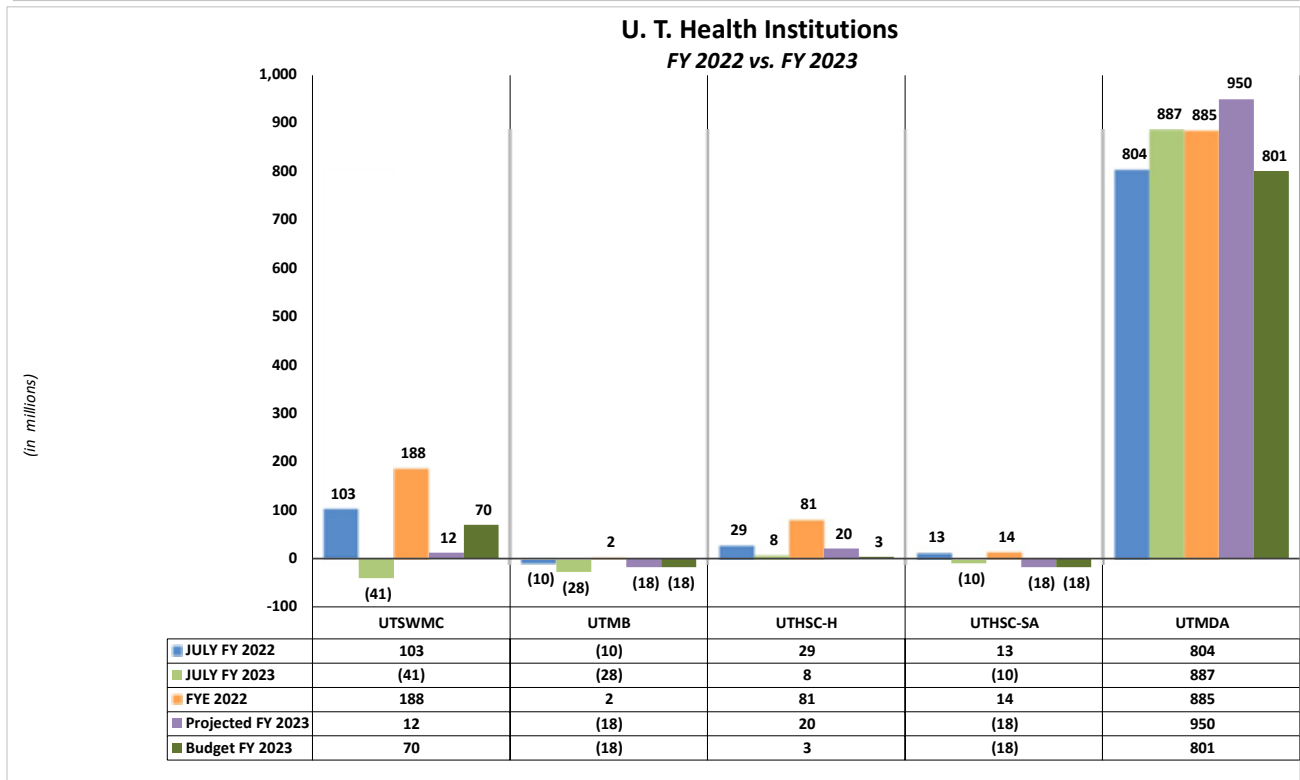
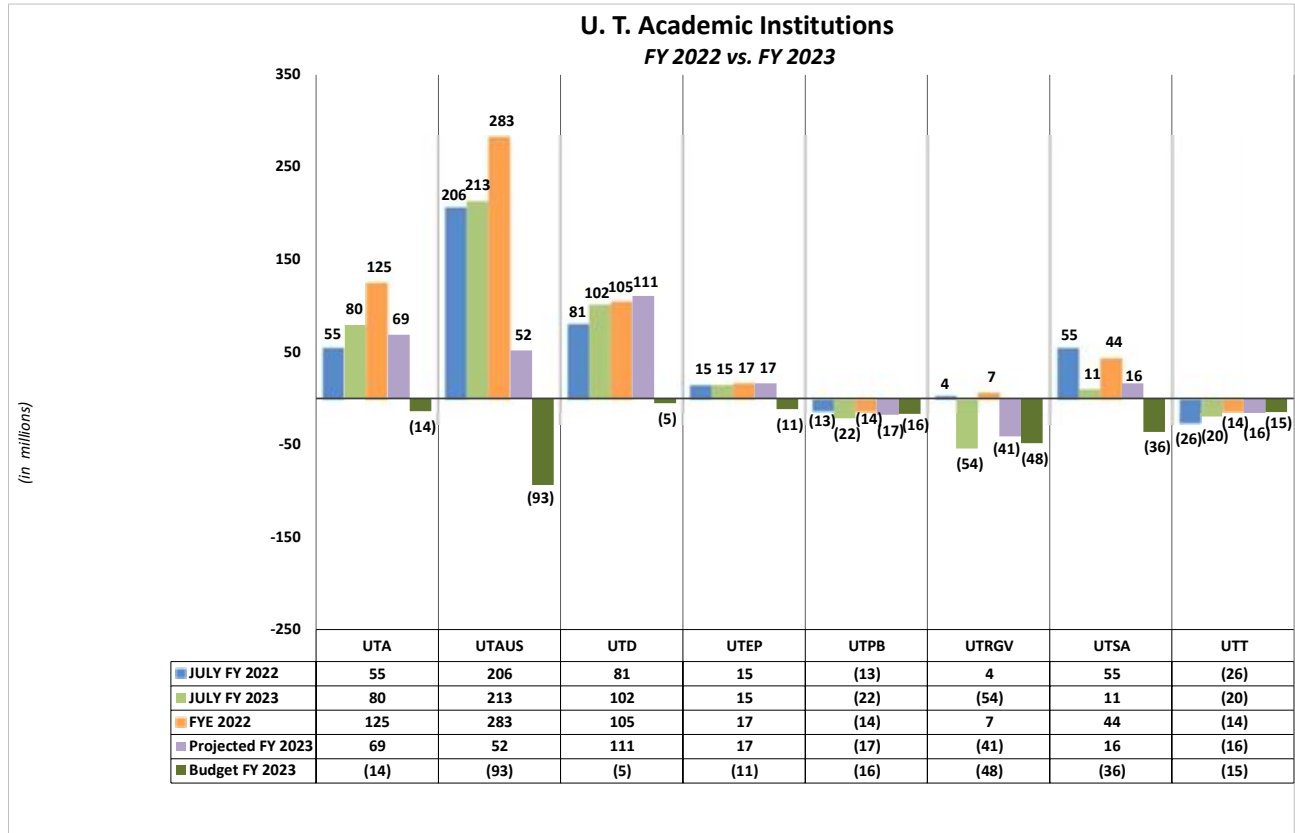


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$1,580.5 million, a decrease in adjusted income of \$338.6 million (18%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023
Clinical Revenues	\$ 10,055.9	11,081.5	1,025.6	12,213.3
Sponsored Programs/Nonexchange Sponsored Programs	4,977.4	5,202.8	225.4	5,714.3
State Appropriations	2,144.5	2,189.1	44.7	2,383.0
Net Tuition and Fees	1,944.8	1,996.2	51.4	2,173.1
Auxiliary Revenues/Sales & Services of Educational Activities	1,265.3	1,368.3	103.0	1,304.2
Net Investment Income	2,625.5	2,831.9	206.3	3,010.9
Other Operating Revenues/Gift Contributions for Operations	1,213.0	1,220.6	7.6	1,342.0
Total Revenues	24,226.3	25,890.3	1,664.0	28,140.9
Salaries and Wages/Payroll Related Costs	13,118.7	14,437.7	1,318.9	15,253.3
Materials and Supplies/Cost of Goods Sold	3,084.1	3,495.6	411.5	3,780.4
Depreciation and Amortization	1,607.2	1,667.3	60.2	1,842.5
Other Contracted Services/Professional Fees & Services	1,605.5	1,712.3	106.9	1,852.8
All Other Operating Expenses	2,891.7	2,996.8	105.1	3,351.4
Total Expenses (Excluding OPEB & Pension Exp)	\$ 22,307.2	24,309.8	2,002.6	26,080.4
Adjusted Income (Loss) Excluding OPEB & Pension Exp	1,919.1	1,580.5	(338.6)	2,060.4
OPEB Expense	913.0	1,054.7	141.7	1,150.5
Pension Expense	620.6	115.5	(505.2)	126.0
Adjusted Income (Loss)	385.5	410.4	24.9	783.9
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,992.7	2,077.7	85.0	2,626.4



**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending July 31, 2023**



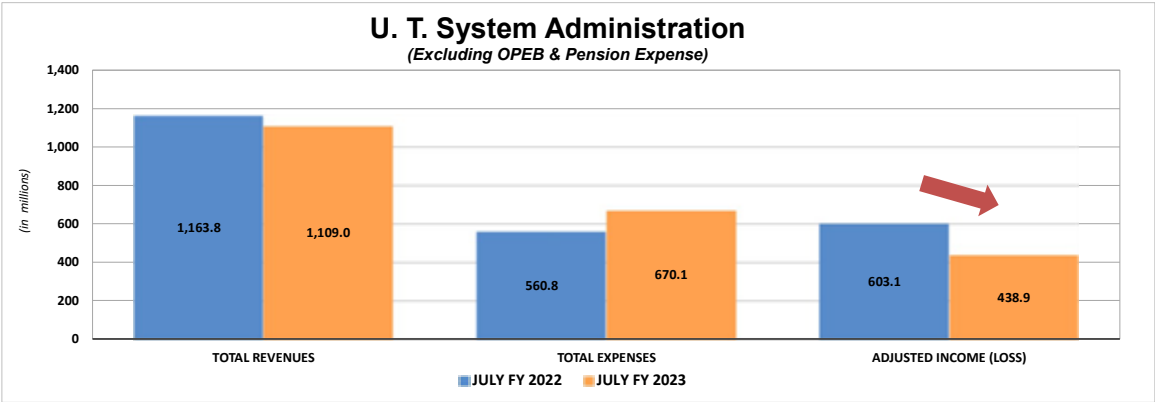
Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending July 31, 2023

Executive Summary of Adjusted Income (Loss)*

	July FYTD 2022 (millions)	July FYTD 2023 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 603.1	438.9	-27%	Increase in Other Operating Expenses (Claims & Losses, Insurance Costs/Premiums, Interest Expense) Decrease in Net Investment Income Projected income of \$922.9 million for the FY
U. T. Arlington	55.4	79.8	44%	Increase in Nonexchange Sponsored Programs, Net Tuition and Fees Projected income of \$69.0 million for the FY
U. T. Austin	206.4	213.0	3%	Increase in Net Investment Income Projected income of \$52.1 million for the FY
U. T. Dallas	80.9	101.7	26%	Increase in Net Tuition and Fees Projected income of \$111.0 million for the FY
U. T. El Paso	15.2	15.3	1%	Increase in Auxiliary Revenues Projected income of \$16.6 million for the FY
U. T. Permian Basin	(13.0)	(21.6)	-66%	Decrease in Gift Contributions for Operations Increases in Professional Fees & Services, Other Operating Expenses (Travel) Projected loss of (\$17.5) million for the FY
U. T. Rio Grande Valley	3.6	(54.1)	-1,597%	Increase in Salaries & Wages/Payroll Related Costs, Depreciation & Amortization Decreases in Other Operating Revenues, Clinical Revenues Projected loss of (\$41.0) million for the FY
U. T. San Antonio	55.3	10.5	-81%	Increase in Salaries & Wages/Payroll Related Costs, Depreciation & Amortization Decrease in Gift Contributions for Operations Projected income of \$16.4 million for the FY
U. T. Tyler	(26.2)	(19.6)	25%	Increase in Clinical Revenues Projected loss of (\$15.6) million for the FY
Southwestern	103.2	(40.8)	-140%	Increase in Salaries & Wages/Payroll Related Costs, Materials & Supplies Projected income of \$12.0 million for the FY
UTMB	(10.3)	(28.0)	-171%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$18.1) million for the FY
UTHSC-Houston	28.5	7.9	-72%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$20.3 million for the FY
UTHSC-San Antonio	13.2	(9.8)	-175%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$18.0) million for the FY
M. D. Anderson	803.9	887.2	10%	Increase in Clinical Revenues Projected income of \$950.4 million for the FY
Total Adjusted Income (Loss)	\$ 1,919.1	1,580.5	-18%	

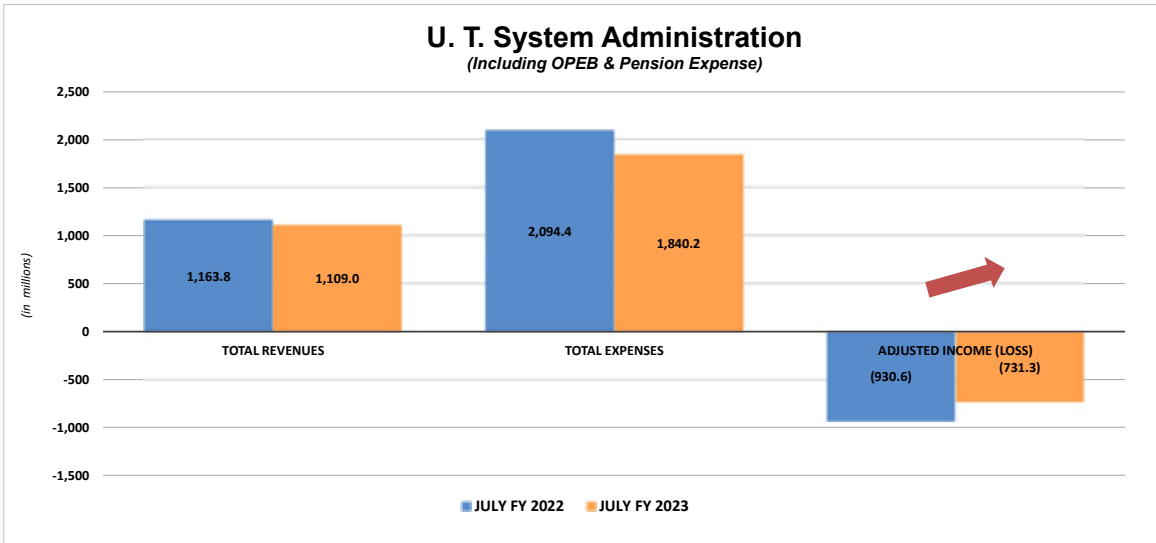
* For additional details on the variances, please see pages 4 through 18.

Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending July 31, 2023



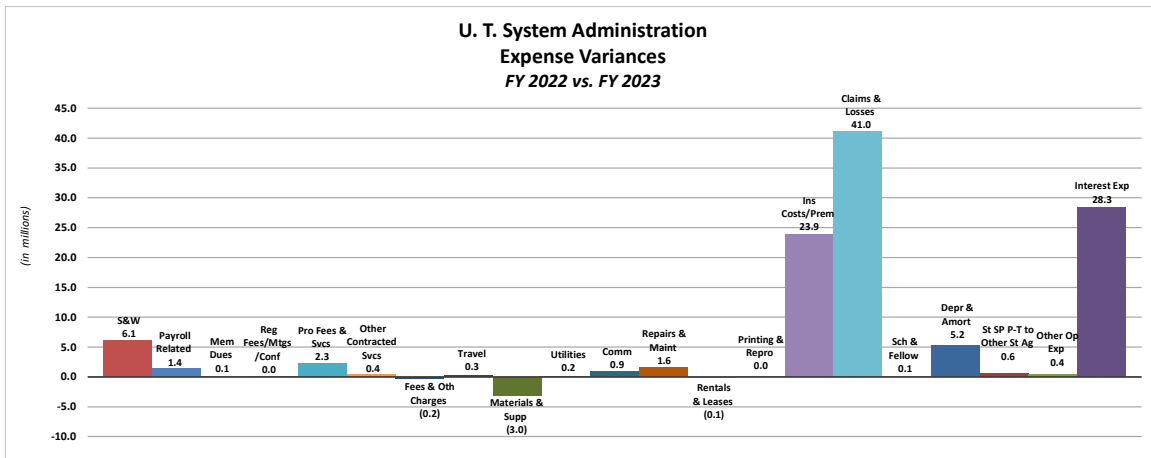
Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$438.9 million, a decrease in adjusted income of \$164.2 million (27%) from the prior year. The decrease was primarily attributable to the following: an increase in other operating expenses as a result of increases in claims and losses, insurance costs/premiums, and interest expense; and a decrease in net investment income primarily due to decreases in oil and gas royalties, mineral lease bonuses, and drilling utilization bonuses, which was slightly offset by the quarterly Long Term Fund (LTF) distribution from prior-year gains. The most current projection, excluding OPEB and pension expense, reflects income of \$922.9 million for the year.

<i>(in millions)</i>	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023
Sponsored Programs/Nonexchange Sponsored Programs	\$ 48.8	44.4	(4.3)	47.0
State Appropriations	6.7	6.6	(0.1)	7.2
Auxiliary Revenues/Sales & Services of Educational Activities	11.9	19.2	7.3	21.0
Net Investment Income/Available University Fund (AUF)	1,065.9	1,001.5	(64.4)	1,092.5
Other Operating Revenues/Gift Contributions for Operations	30.6	37.2	6.7	40.6
Total Revenues	1,163.8	1,109.0	(54.9)	1,208.3
Salaries and Wages/Payroll Related Costs	51.9	59.4	7.5	(379.1)
Materials and Supplies/Cost of Goods Sold	13.5	10.4	(3.0)	11.4
Depreciation and Amortization	15.4	20.6	5.2	22.4
Other Contracted Services/Professional Fees & Services	52.1	54.7	2.7	58.5
All Other Operating Expenses	427.9	524.9	97.0	572.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 560.8	670.1	109.3	285.4
Adjusted Income (Loss) Excluding OPEB & Pension Exp	603.1	438.9	(164.2)	922.9
OPEB Expense	913.0	1,054.7	141.7	1,150.5
Pension Expense	620.6	115.5	(505.2)	126.0
Adjusted Income (Loss)	(930.6)	(731.3)	199.3	(353.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(915.1)	(710.6)	204.5	(331.2)



Monthly Financial Report Detailed Expense Break-out for U. T. System Administration For the Period Ending July 31, 2023

(in millions)	July YTD FY 2022	July YTD FY 2023	Actual Year-End FY 2022	Annual Projected FY 2023
Salaries and Wages	\$ 41.1	47.2	46.3	51.5
Payroll Related Costs	10.8	12.2	(431.7)	(430.6) *
Membership Dues	0.3	0.4	0.3	0.4
Registration Fees, Meetings, Conferences	0.2	0.2	0.2	0.2
Professional Fees and Services	4.3	6.6	6.5	7.2
Other Contracted Services	47.8	48.2	49.6	51.4
Fees and Other Charges	0.6	0.4	0.7	0.4
Travel	0.4	0.7	0.5	0.7
Materials and Supplies	13.5	10.4	7.9	11.4
Utilities	0.3	0.4	0.3	0.5
Communications	3.6	4.4	3.7	4.5
Repairs and Maintenance	8.6	10.1	7.9	11.0
Rentals and Leases	0.2	0.1	0.3	0.1
Printing and Reproduction	0.1	0.1	0.1	0.1
Insurance Costs/Premiums	40.4	64.3	18.4	70.1
Claims and Losses	344.2	385.3	273.1	420.3
Scholarships and Fellowships	0.3	0.4	0.7	0.4
Depreciation and Amortization	15.4	20.6	21.6	22.4
State Sponsored Program Pass-Through to Other State Agencies	4.1	4.7	5.0	4.9
Other Operating Expenses	1.3	1.7	1.4	1.8
Interest Expense	23.5	51.8	45.0	56.5
Total Expenses (Excluding OPEB & Pension Expense)	560.8	670.1	57.9	285.4
OPEB Expense	913.0	1,054.7	1,150.5	1,150.5
Pension Expense	620.6	115.5	126.0	126.0
Total Expenses (Including OPEB & Pension Expense)	\$ 2,094.4	1,840.2	1,334.4	1,561.9



Brief explanations for U. T. System Administration's largest expense variances are provided below:

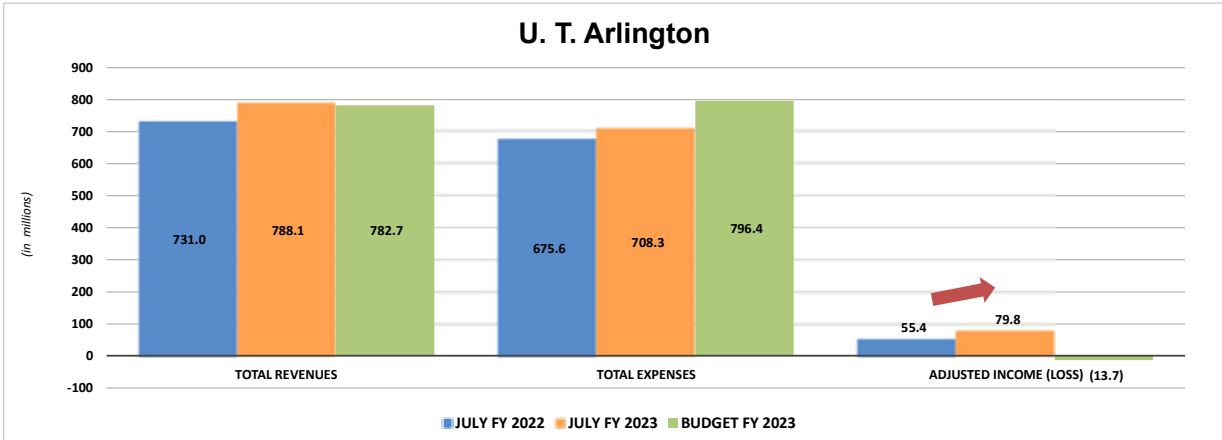
***Payroll Related Costs** - the negative payroll related costs at year-end relate to the pension entry to defer pension contributions made after the measurement date for the entire System.

Insurance Costs/Premiums - increase of \$23.9 million attributable to increases in insurance premiums in Comprehensive Property Protection Plan (CPPP) Fire and All Other Perils (AOP), CPPP Wind & Flood, Rolling Owner Controlled Insurance Program (ROCIP), and the medical self-insurance plan.

Claims and Losses - increase of \$41.0 million primarily due to the medical self-insurance plan.

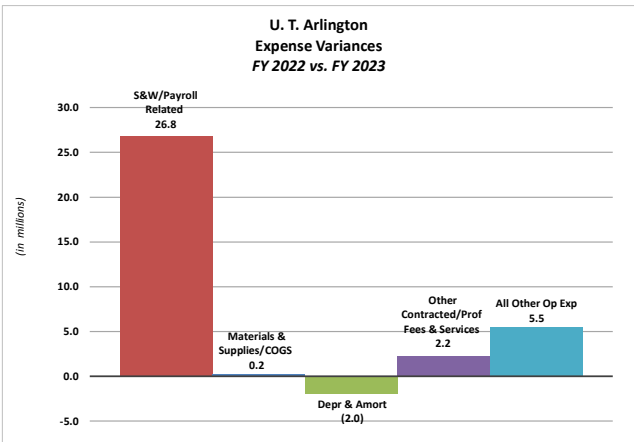
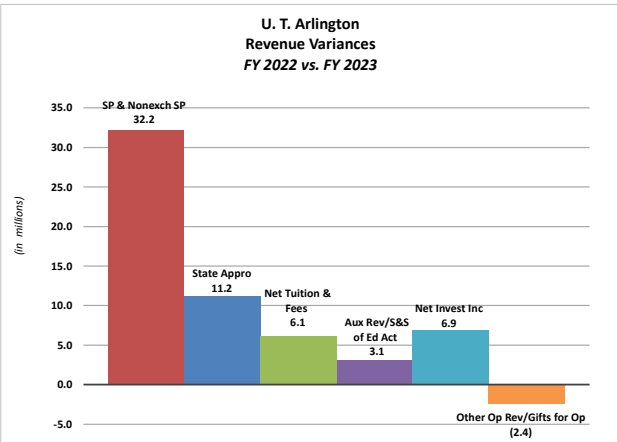
Interest Expense - increase of \$28.3 million largely due to an increase in Permanent University Fund interest expense.

Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending July 31, 2023

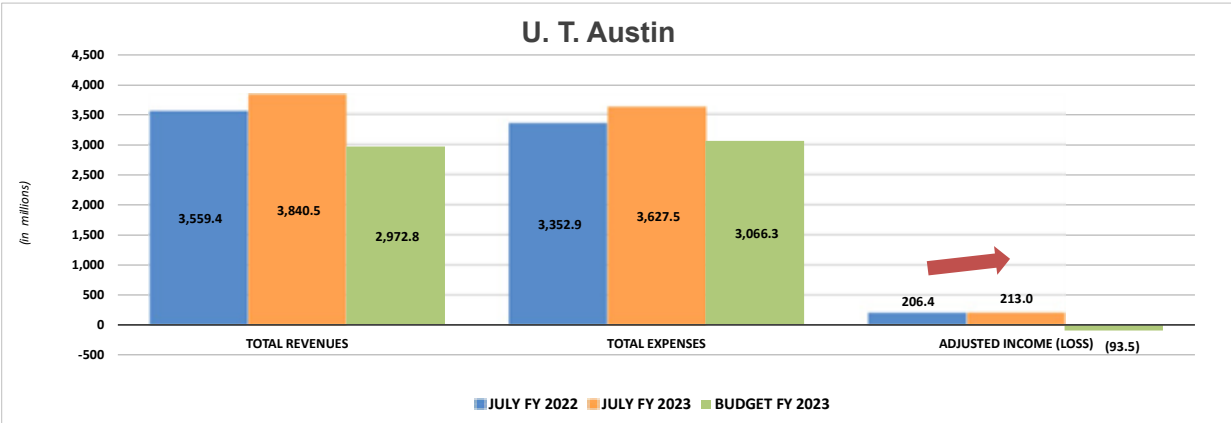


U. T. Arlington reported year-to-date adjusted income of \$79.8 million, an increase in adjusted income of \$24.4 million (44%) from the prior year. The increase was primarily attributable to the following: an increase in nonexchange sponsored programs related to a timing difference in revenue recognition reported for 2023 compared to 2022; and an increase in net student tuition and fees as a result of an increase in semester credit hours. The most current projection received from U. T. Arlington reflects income of \$69.0 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 154.8	187.1	32.2	204.1	
State Appropriations	124.7	135.9	11.2	161.1	
Net Tuition and Fees	338.8	344.9	6.1	376.3	
Auxiliary Revenues/Sales & Services of Educational Activities	66.0	69.1	3.1	71.4	
Net Investment Income	30.2	37.2	6.9	34.9	
Other Operating Revenues/Gift Contributions for Operations	16.5	14.0	(2.4)	15.9	
Total Revenues	731.0	788.1	57.1	863.7	782.7
Salaries and Wages/Payroll Related Costs	388.4	415.2	26.8	463.2	
Materials and Supplies/Cost of Goods Sold	46.1	46.3	0.2	48.4	
Depreciation and Amortization	54.0	52.0	(2.0)	56.7	
Other Contracted Services/Professional Fees & Services	68.0	70.2	2.2	73.6	
All Other Operating Expenses	119.1	124.6	5.5	152.8	
Total Expenses	\$ 675.6	708.3	32.8	794.6	796.4
Adjusted Income (Loss)	55.4	79.8	24.4	69.0	(13.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	109.3	131.7	22.4	125.7	43.0

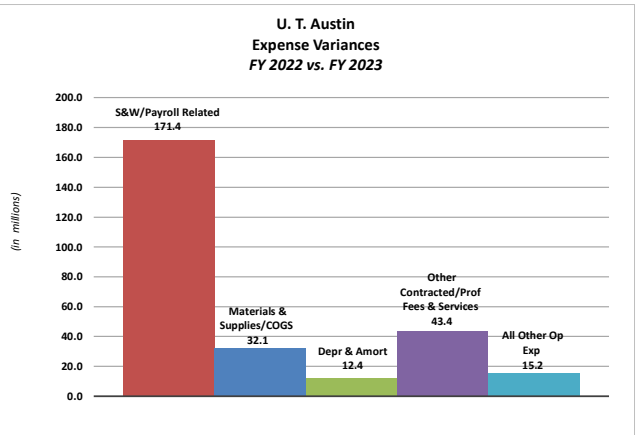
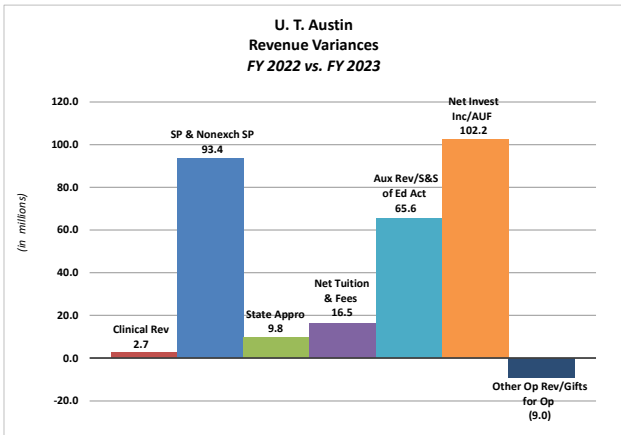


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending July 31, 2023

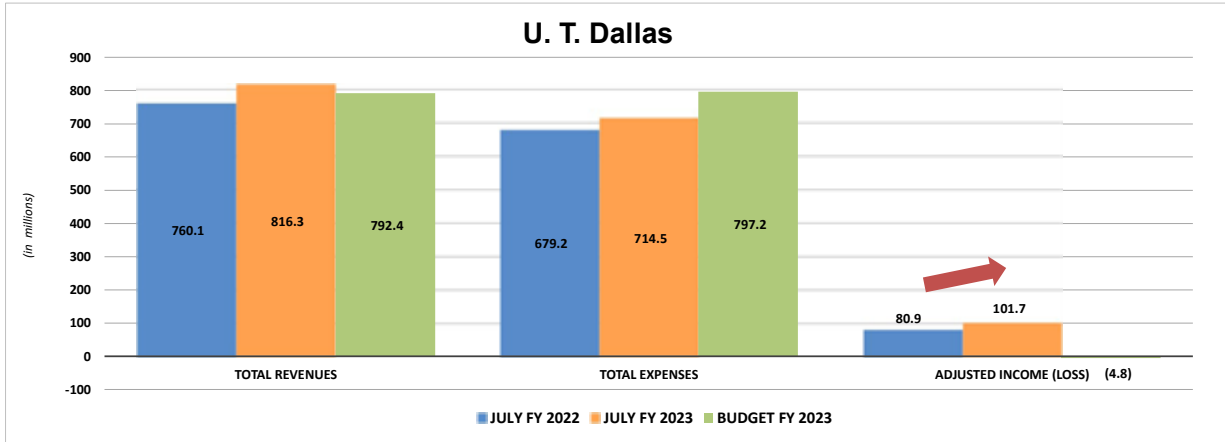


U. T. Austin reported year-to-date adjusted income of \$213.0 million, an increase in adjusted income of \$6.5 million (3%) from the prior year. The increase was primarily due to an increase in net investment income attributable to COVID-19 technology royalties received from the National Institute of Health. The most current projection received from U. T. Austin reflects income of \$52.1 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 12.9	15.5	2.7	16.9	
Sponsored Programs/Nonexchange Sponsored Programs	921.9	1,015.3	93.4	1,098.5	
State Appropriations	324.0	333.8	9.8	359.6	
Net Tuition and Fees	495.9	512.4	16.5	559.0	
Auxiliary Revenues/Sales & Services of Educational Activities	757.1	822.7	65.6	698.7	
Net Investment Income/Available University Fund (AUF)	767.6	869.7	102.2	904.9	
Other Operating Revenues/Gift Contributions for Operations	280.0	271.0	(9.0)	294.4	
Total Revenues	3,559.4	3,840.5	281.1	3,932.0	2,972.8
Salaries and Wages/Payroll Related Costs	1,892.6	2,064.0	171.4	2,155.9	
Materials and Supplies/Cost of Goods Sold	178.0	210.1	32.1	206.1	
Depreciation and Amortization	341.5	353.8	12.4	386.0	
Other Contracted Services/Professional Fees & Services	233.6	277.0	43.4	304.4	
All Other Operating Expenses	707.4	722.6	15.2	827.5	
Total Expenses	\$ 3,352.9	3,627.5	274.6	3,879.9	3,066.3
Adjusted Income (Loss)	206.4	213.0	6.5	52.1	(93.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	547.9	566.8	18.9	438.1	286.5

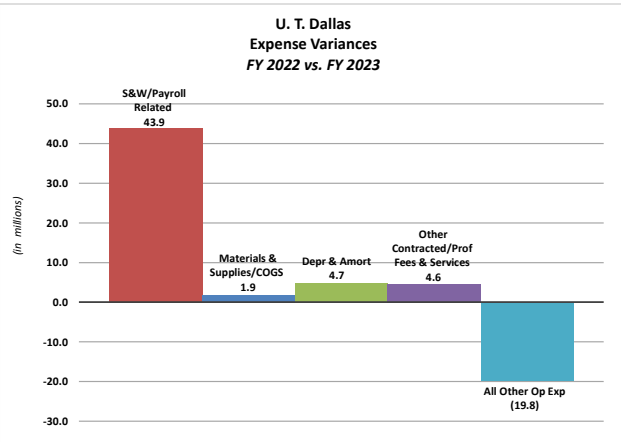
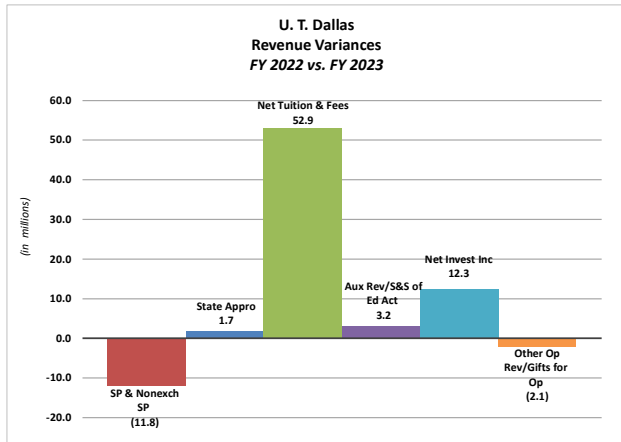


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending July 31, 2023

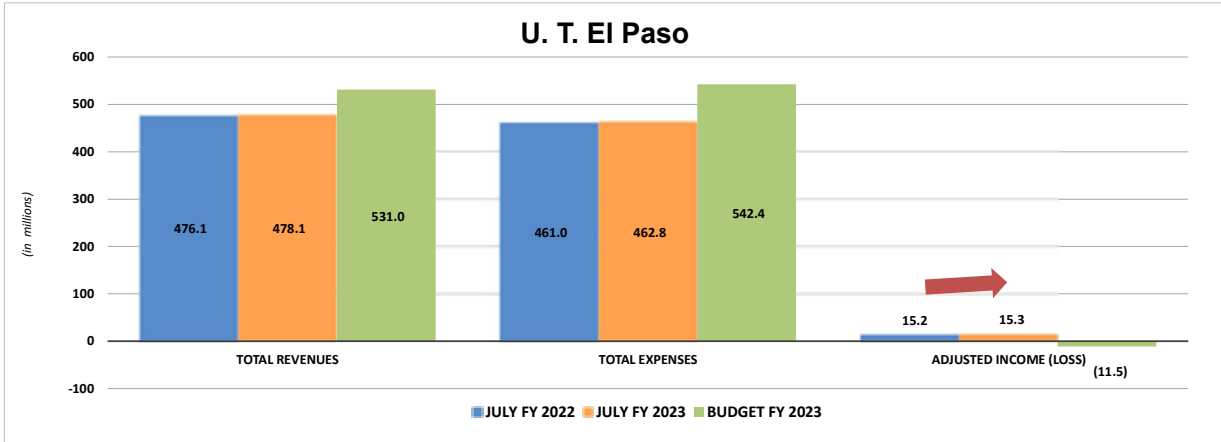


U. T. Dallas reported year-to-date adjusted income of \$101.7 million, an increase in adjusted income of \$20.8 million (26%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees due to increased enrollment of undergraduate and graduate students. The most current projection received from U. T. Dallas reflects income of \$111.0 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 152.5	140.7	(11.8)	153.5	
State Appropriations	126.5	128.2	1.7	139.9	
Net Tuition and Fees	335.5	388.4	52.9	423.7	
Auxiliary Revenues/Sales & Services of Educational Activities	80.6	83.8	3.2	91.4	
Net Investment Income	38.0	50.3	12.3	54.8	
Other Operating Revenues/Gift Contributions for Operations	27.0	24.9	(2.1)	27.1	
Total Revenues	760.1	816.3	56.2	890.5	792.4
Salaries and Wages/Payroll Related Costs	381.2	425.1	43.9	463.8	
Materials and Supplies/Cost of Goods Sold	30.6	32.6	1.9	35.5	
Depreciation and Amortization	84.8	89.6	4.7	97.7	
Other Contracted Services/Professional Fees & Services	33.2	37.8	4.6	41.3	
All Other Operating Expenses	149.2	129.4	(19.8)	141.2	
Total Expenses	\$ 679.2	714.5	35.3	779.5	797.2
Adjusted Income (Loss)	80.9	101.7	20.8	111.0	(4.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	165.8	191.3	25.5	208.7	83.4

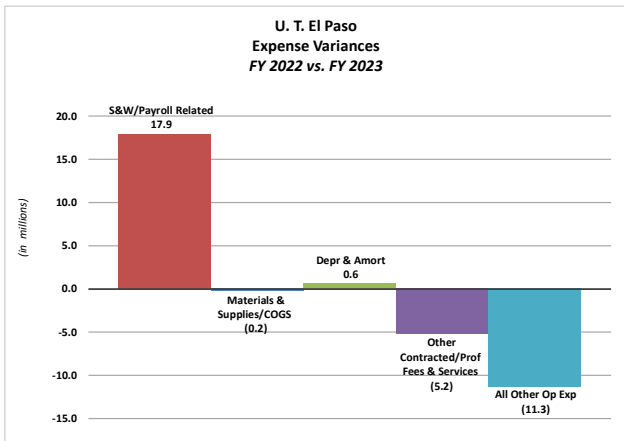
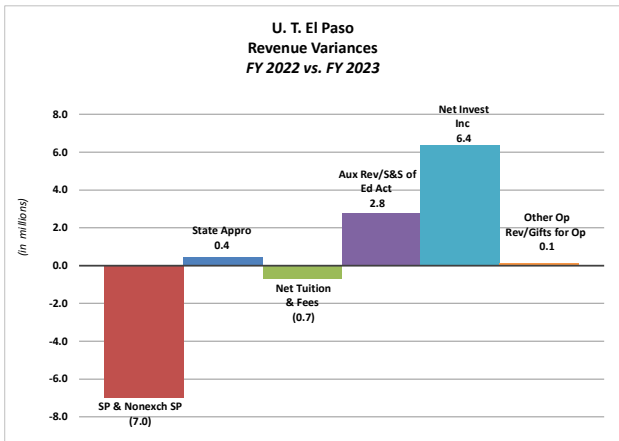


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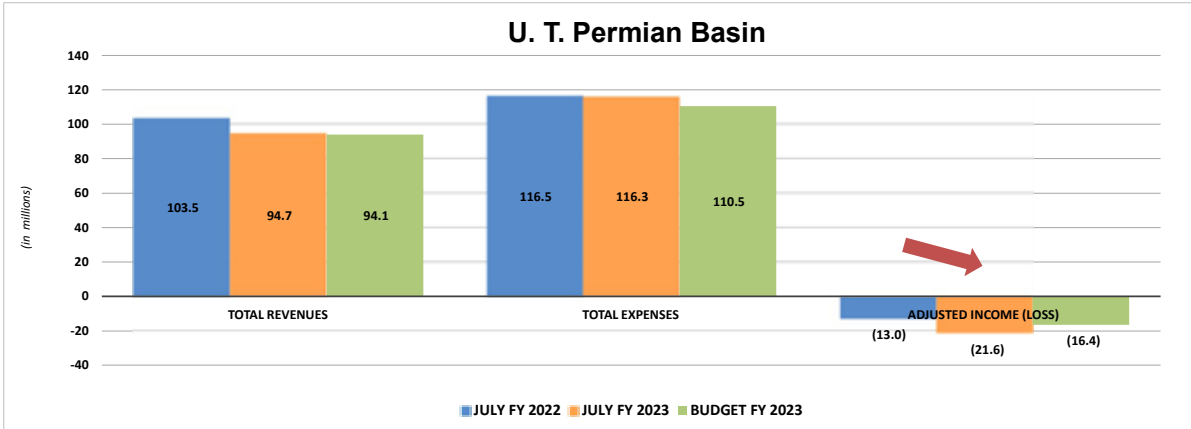


U. T. El Paso reported year-to-date adjusted income of \$15.3 million, an increase in adjusted income of \$0.2 million (1%) from the prior year. The increase was primarily due to an increase in auxiliary enterprises revenues as a result of an increase in athletic revenue, as well as an increase in on-campus activities. The most current projection received from U. T. El Paso reflects income of \$16.6 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 165.6	158.6	(7.0)	201.9	
State Appropriations	98.9	99.4	0.4	107.4	
Net Tuition and Fees	136.6	135.9	(0.7)	145.8	
Auxiliary Revenues/Sales & Services of Educational Activities	45.3	48.0	2.8	56.5	
Net Investment Income	18.2	24.5	6.4	25.3	
Other Operating Revenues/Gift Contributions for Operations	11.5	11.6	0.1	11.8	
Total Revenues	476.1	478.1	2.0	548.6	531.0
Salaries and Wages/Payroll Related Costs	253.4	271.4	17.9	287.8	
Materials and Supplies/Cost of Goods Sold	24.3	24.1	(0.2)	29.0	
Depreciation and Amortization	31.8	32.4	0.6	35.4	
Other Contracted Services/Professional Fees & Services	35.3	30.1	(5.2)	33.1	
All Other Operating Expenses	116.1	104.8	(11.3)	146.7	
Total Expenses	\$ 461.0	462.8	1.8	532.1	542.4
Adjusted Income (Loss)	15.2	15.3	0.2	16.6	(11.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	47.0	47.8	0.8	52.0	23.6

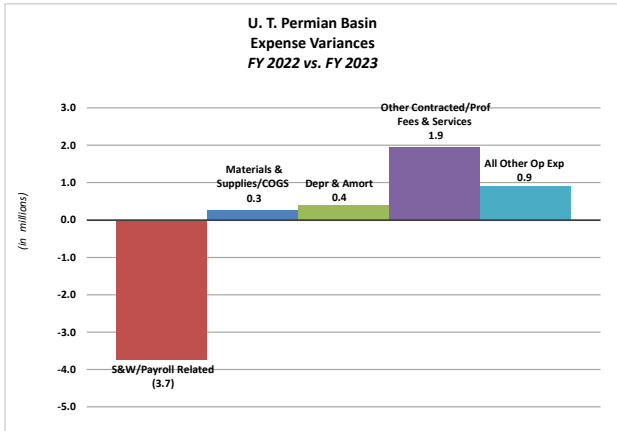
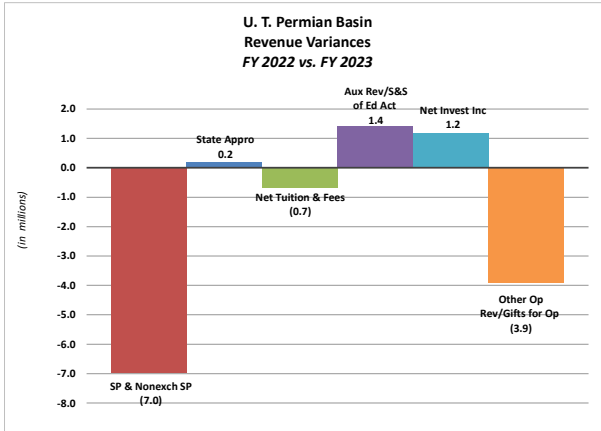


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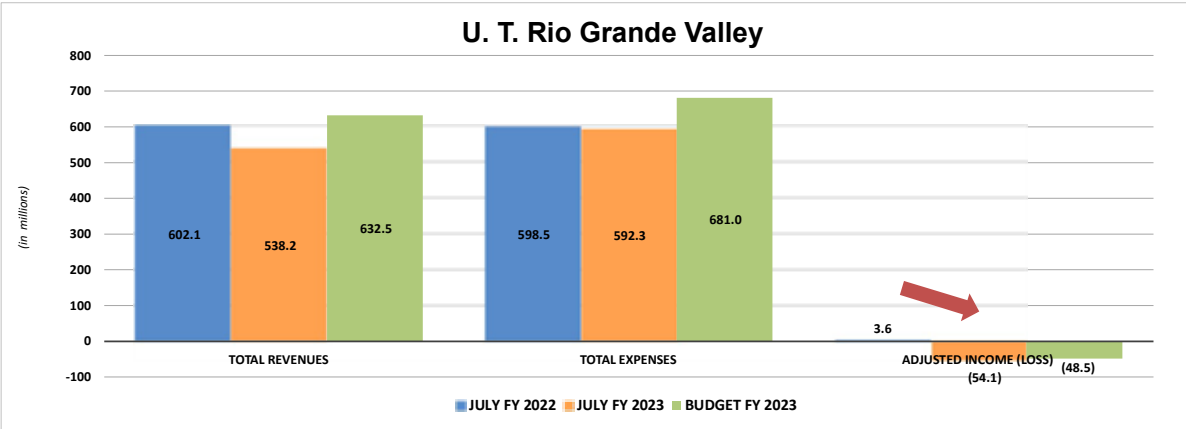


U. T. Permian Basin incurred a year-to-date adjusted loss of \$21.6 million, an increase in adjusted loss of \$8.6 million (66%) from the prior year. The increase was primarily attributable to the following: a decrease in gift contributions for operations as a result of a gift pledge received in 2022 with no such comparable gift received in the current fiscal year; an increase in professional fees and services due to an increase in payments made to Apollidon; and an increase in other operating expenses primarily attributable to an increase in travel expenses as restrictions due to COVID-19 are eased. The most current projection received from *U. T. Permian Basin* reflects a loss of \$17.5 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 24.4	17.4	(7.0)	24.9	
State Appropriations	23.1	23.2	0.2	25.4	
Net Tuition and Fees	29.1	28.4	(0.7)	31.0	
Auxiliary Revenues/Sales & Services of Educational Activities	6.4	7.8	1.4	8.5	
Net Investment Income	3.2	4.3	1.2	4.4	
Other Operating Revenues/Gift Contributions for Operations	17.5	13.5	(3.9)	14.3	
Total Revenues	103.5	94.7	(8.8)	108.5	94.1
Salaries and Wages/Payroll Related Costs	56.7	53.0	(3.7)	56.4	
Materials and Supplies/Cost of Goods Sold	6.4	6.7	0.3	7.2	
Depreciation and Amortization	19.1	19.5	0.4	21.3	
Other Contracted Services/Professional Fees & Services	9.3	11.3	1.9	12.5	
All Other Operating Expenses	24.9	25.8	0.9	28.6	
Total Expenses	\$ 116.5	116.3	(0.2)	126.0	110.5
Adjusted Income (Loss)	(13.0)	(21.6)	(8.6)	(17.5)	(16.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	6.1	(2.1)	(8.2)	3.8	4.8

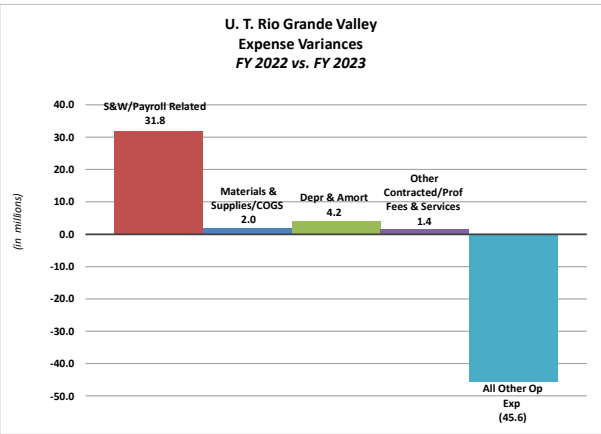
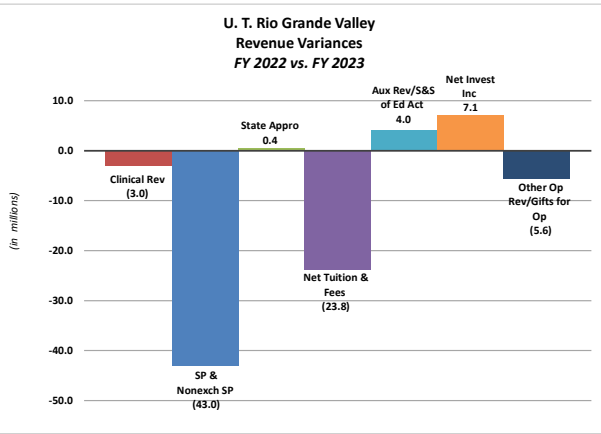


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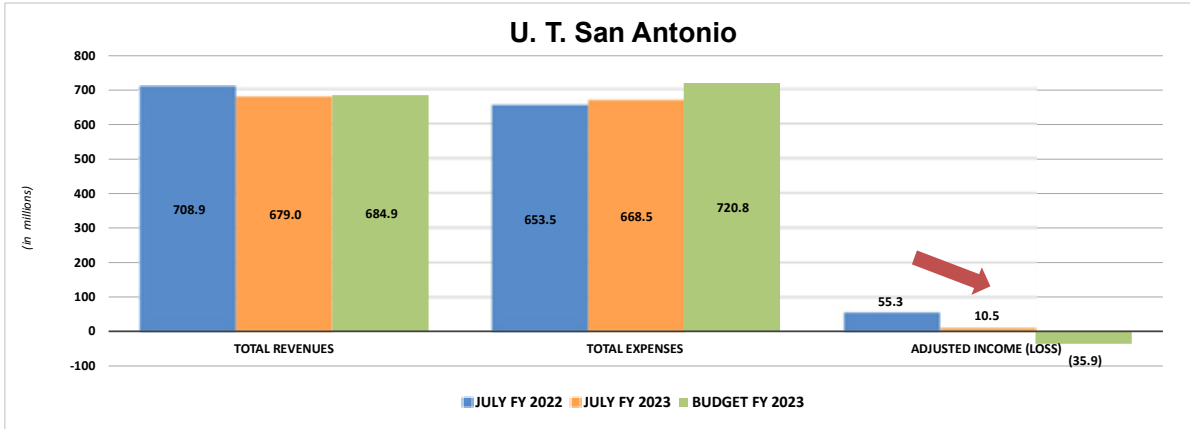


U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$54.1 million, a decrease of \$57.7 million (1,597%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions and annual merit increases; a decrease in other operating revenues due to the Delivery System Reform Incentive Payment (DSRIP) program ending in fiscal year 2022, as well as a decrease in insurance recoveries recognized in 2023; an increase in depreciation and amortization expense as a result of new buildings placed into service; and a decrease in clinical revenues attributable to a decrease in patient volume due to the economic downturn. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$41.0 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 17.8	14.8	(3.0)	16.4	
Sponsored Programs/Nonexchange Sponsored Programs	251.2	208.2	(43.0)	274.5	
State Appropriations	153.5	153.9	0.4	163.4	
Net Tuition and Fees	126.5	102.7	(23.8)	112.1	
Auxiliary Revenues/Sales & Services of Educational Activities	15.7	19.6	4.0	20.8	
Net Investment Income	13.0	20.1	7.1	21.4	
Other Operating Revenues/Gift Contributions for Operations	24.5	18.9	(5.6)	22.9	
Total Revenues	602.1	538.2	(63.9)	631.6	632.5
Salaries and Wages/Payroll Related Costs	377.6	409.4	31.8	439.2	
Materials and Supplies/Cost of Goods Sold	30.9	32.8	2.0	34.8	
Depreciation and Amortization	51.7	55.9	4.2	61.7	
Other Contracted Services/Professional Fees & Services	21.3	22.7	1.4	23.7	
All Other Operating Expenses	117.0	71.4	(45.6)	113.1	
Total Expenses	\$ 598.5	592.3	(6.2)	672.6	681.0
Adjusted Income (Loss)	3.6	(54.1)	(57.7)	(41.0)	(48.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	55.3	1.8	(53.5)	20.7	13.5

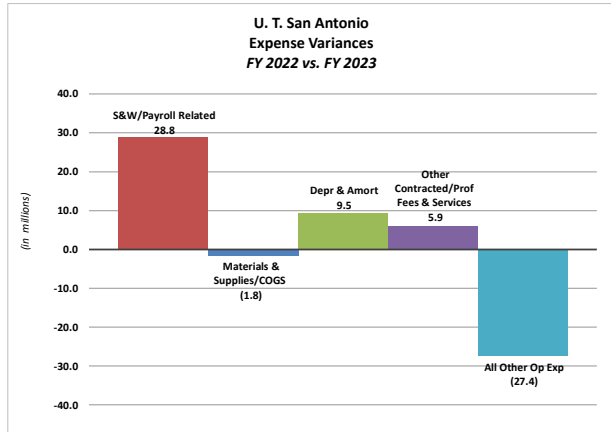
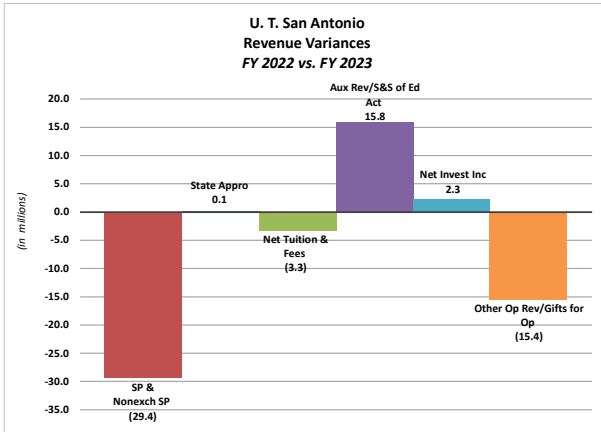


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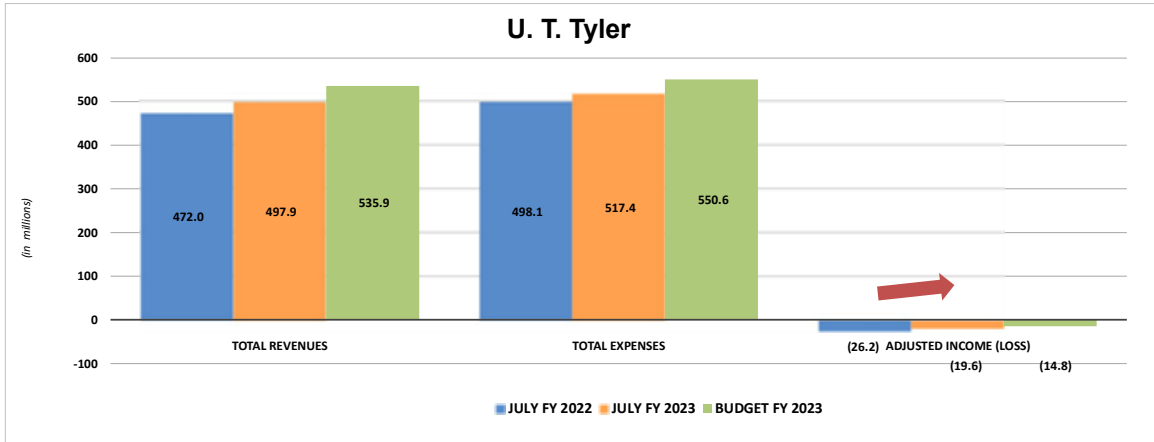


U. T. San Antonio reported year-to-date adjusted income of \$10.5 million, a decrease in adjusted income of \$44.8 million (81%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to the university implementing its strategic compensation plan last year, as well as an increase in annual merit increases; a decrease in gift contributions for operations as a result of a \$20 million gift received in 2022 with no such comparable gift received in the current fiscal year; and an increase in depreciation and amortization expense attributable to new buildings placed into service. The most current projection received from U. T. San Antonio reflects income of \$16.4 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 220.2	190.9	(29.4)	208.2	
State Appropriations	139.7	139.8	0.1	152.5	
Net Tuition and Fees	237.8	234.5	(3.3)	255.8	
Auxiliary Revenues/Sales & Services of Educational Activities	55.3	71.1	15.8	77.6	
Net Investment Income	22.5	24.8	2.3	32.1	
Other Operating Revenues/Gift Contributions for Operations	33.4	18.0	(15.4)	19.6	
Total Revenues	708.9	679.0	(29.8)	745.8	684.9
Salaries and Wages/Payroll Related Costs	348.1	377.0	28.8	411.2	
Materials and Supplies/Cost of Goods Sold	35.6	33.8	(1.8)	36.9	
Depreciation and Amortization	60.6	70.0	9.5	76.4	
Other Contracted Services/Professional Fees & Services	33.0	39.0	5.9	42.5	
All Other Operating Expenses	176.2	148.8	(27.4)	162.4	
Total Expenses	\$ 653.5	668.5	15.0	729.4	720.8
Adjusted Income (Loss)	55.3	10.5	(44.8)	16.4	(35.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	115.9	80.5	(35.4)	92.8	36.8

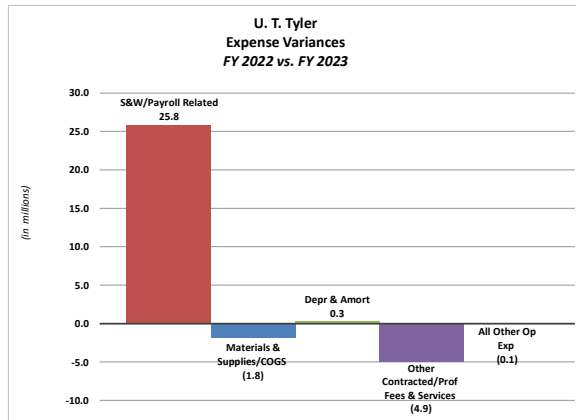
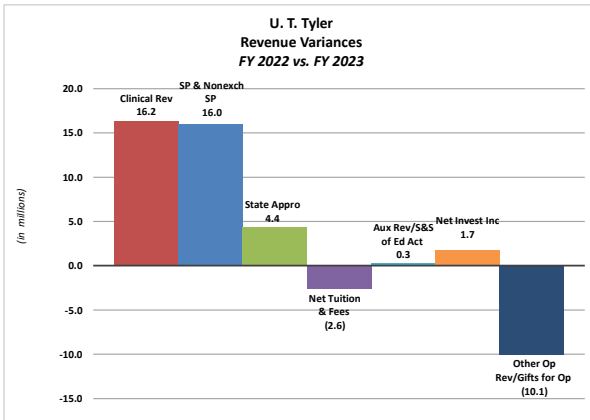


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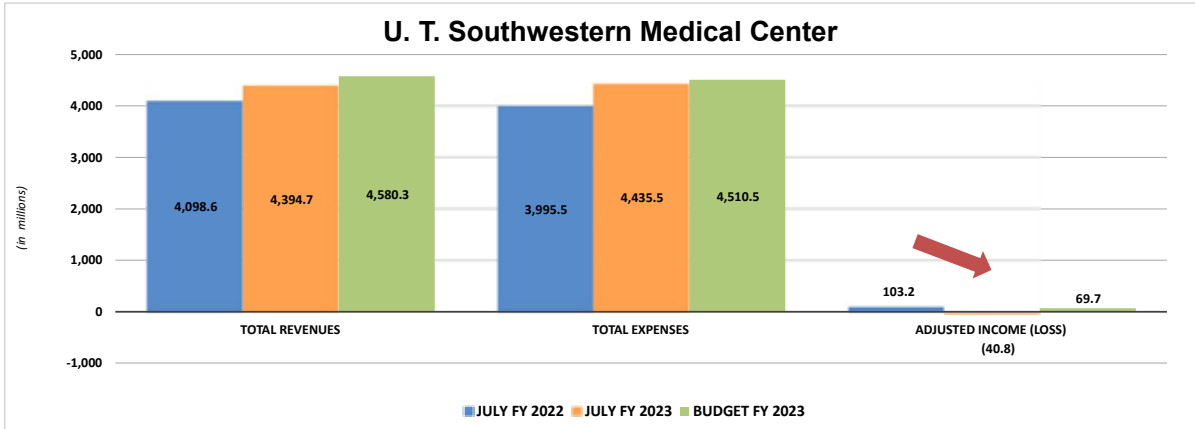
U. T. Tyler incurred a year-to-date adjusted loss of \$19.6 million, a decrease in adjusted loss of \$6.6 million (25%) from the prior year. The decrease was primarily due to an increase in clinical revenues attributable to an increase in outpatient visits, as well as growth in retail pharmacy volumes. The most current projection received from U. T. Tyler reflects a loss of \$15.6 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 160.8	177.0	16.2	192.4	
Sponsored Programs/Nonexchange Sponsored Programs	122.6	138.6	16.0	151.4	
State Appropriations	79.0	83.4	4.4	91.1	
Net Tuition and Fees	54.9	52.3	(2.6)	59.1	
Auxiliary Revenues/Sales & Services of Educational Activities	27.6	27.9	0.3	31.8	
Net Investment Income	9.0	10.8	1.7	13.4	
Other Operating Revenues/Gift Contributions for Operations	18.0	7.9 *	(10.1)	9.5 *	
Total Revenues	472.0	497.9	25.9	548.6	535.9
Salaries and Wages/Payroll Related Costs	296.3	322.1	25.8	350.0	
Materials and Supplies/Cost of Goods Sold	70.6	68.7	(1.8)	74.4	
Depreciation and Amortization	31.6	31.9	0.3	36.3	
Other Contracted Services/Professional Fees & Services	47.3	42.4	(4.9)	46.3	
All Other Operating Expenses	52.4	52.3	(0.1)	57.2	
Total Expenses	\$ 498.1	517.4	19.3	564.2	550.6
Adjusted Income (Loss)	(26.2)	(19.6)	6.6	(15.6)	(14.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	5.4	12.3	6.9	20.7	21.7



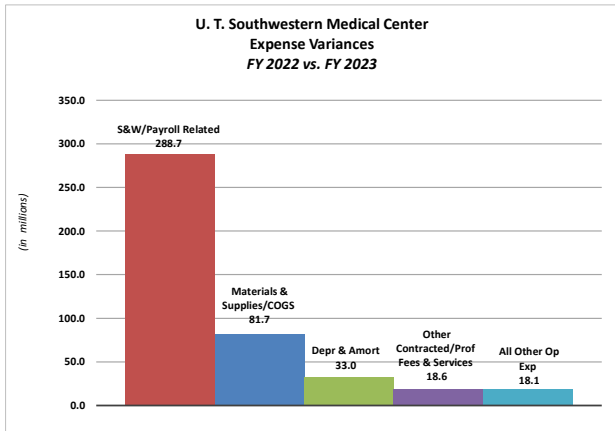
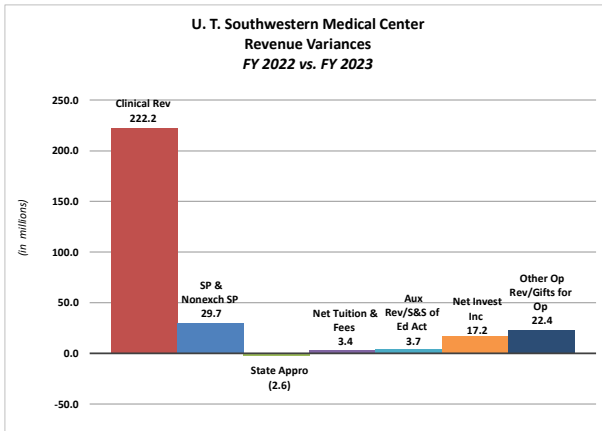
*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$3.5 million through July. The projected loss of \$15.6 million includes \$3.4 million of UTHET's net adjusted loss for the year.

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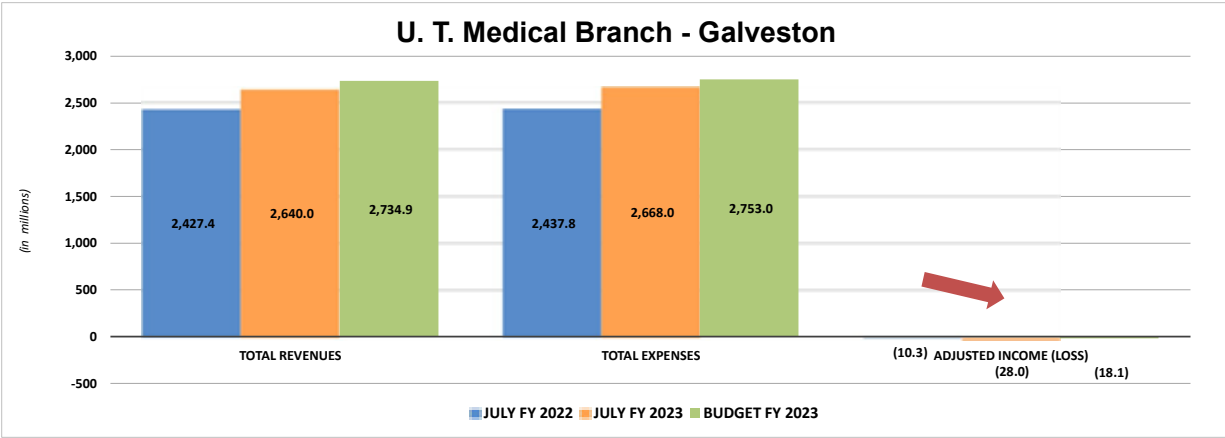


U. T. Southwestern Medical Center incurred a year-to-date adjusted loss of \$40.8 million, a decrease of \$144.0 million (140%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with growth in both the hospitals and clinical operations; and an increase in materials and supplies due to increased drugs and medical supplies driven by patient volumes. The most current projection received from U. T. Southwestern Medical Center reflects income of \$12.0 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 2,646.4	2,868.6	222.2	3,135.7	
Sponsored Programs/Nonexchange Sponsored Programs	778.6	808.4	29.7	837.1	
State Appropriations	180.1	177.5	(2.6)	195.7	
Net Tuition and Fees	22.5	25.9	3.4	28.3	
Auxiliary Revenues/Sales & Services of Educational Activities	36.4	40.1	3.7	45.3	
Net Investment Income	149.7	166.9	17.2	185.7	
Other Operating Revenues/Gift Contributions for Operations	284.9	307.4	22.4	318.2	
Total Revenues	4,098.6	4,394.7	296.1	4,745.9	4,580.3
Salaries and Wages/Payroll Related Costs	2,477.6	2,766.3	288.7	3,020.5	
Materials and Supplies/Cost of Goods Sold	772.3	853.9	81.7	900.4	
Depreciation and Amortization	222.9	255.9	33.0	277.8	
Other Contracted Services/Professional Fees & Services	245.2	263.8	18.6	267.7	
All Other Operating Expenses	277.6	295.7	18.1	267.4	
Total Expenses	\$ 3,995.5	4,435.5	440.1	4,733.9	4,510.5
Adjusted Income (Loss)	103.2	(40.8)	(144.0)	12.0	69.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	326.1	215.1	(111.0)	289.8	337.0

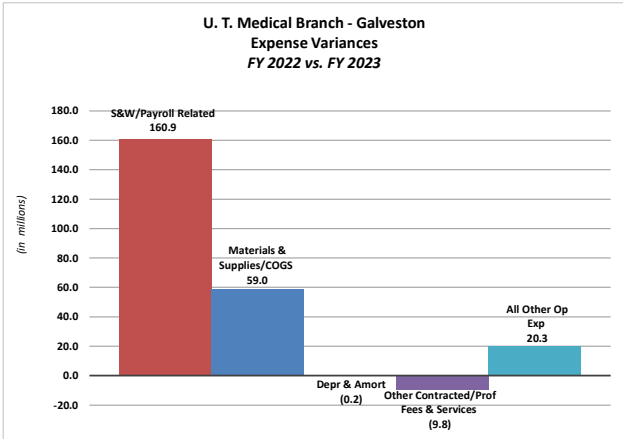
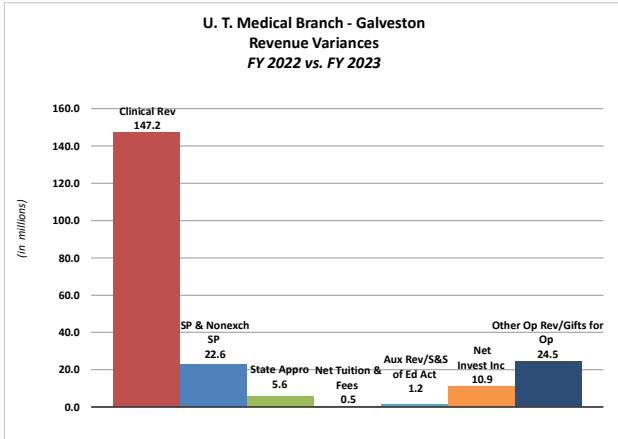


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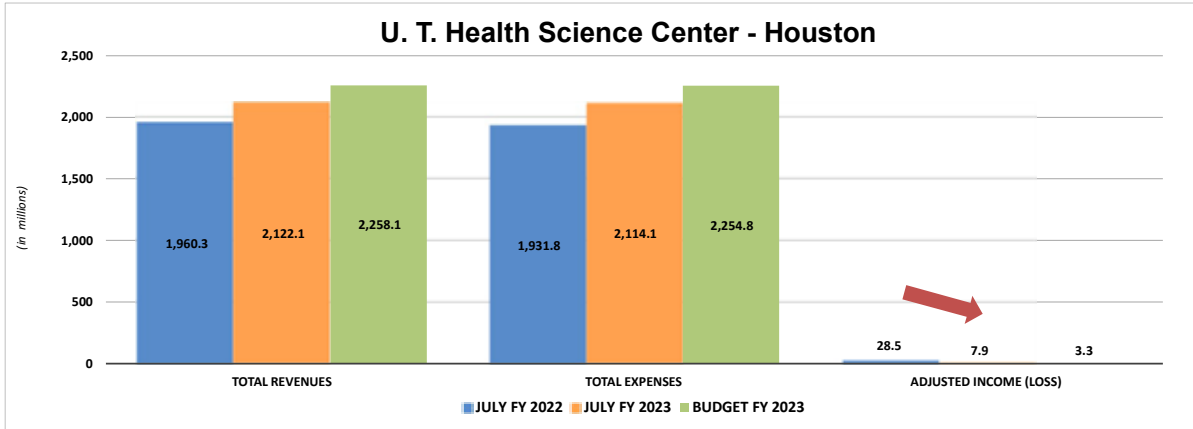


U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$28.0 million, an increase in adjusted loss of \$17.7 million (171%) from the prior year. The increase was primarily attributable to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions due to increased clinical volumes, as well as merit and market increases. The most current projection received from U. T. Medical Branch - Galveston reflects a loss of \$18.1 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 1,618.8	1,766.0	147.2	1,938.6	
Sponsored Programs/Nonexchange Sponsored Programs	224.9	247.5	22.6	274.7	
State Appropriations	329.2	334.9	5.6	363.5	
Net Tuition and Fees	48.2	48.7	0.5	52.1	
Auxiliary Revenues/Sales & Services of Educational Activities	23.6	24.8	1.2	26.9	
Net Investment Income	63.0	73.9	10.9	77.3	
Other Operating Revenues/Gift Contributions for Operations	119.7	144.3	24.5	157.9	
Total Revenues	2,427.4	2,640.0	212.6	2,891.0	2,734.9
Salaries and Wages/Payroll Related Costs	1,468.0	1,628.9	160.9	1,776.1	
Materials and Supplies/Cost of Goods Sold	351.3	410.3	59.0	436.6	
Depreciation and Amortization	191.8	191.7	(0.2)	223.6	
Other Contracted Services/Professional Fees & Services	210.8	201.0	(9.8)	217.5	
All Other Operating Expenses	215.8	236.1	20.3	255.4	
Total Expenses	\$ 2,437.8	2,668.0	230.2	2,909.1	2,753.0
Adjusted Income (Loss)	(10.3)	(28.0)	(17.7)	(18.1)	(18.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	181.5	163.7	(17.8)	205.5	207.5

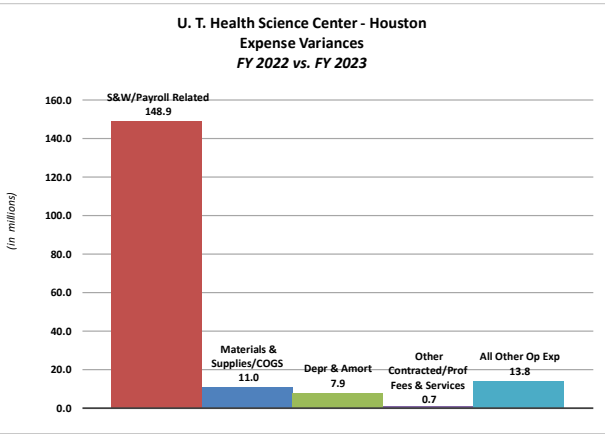
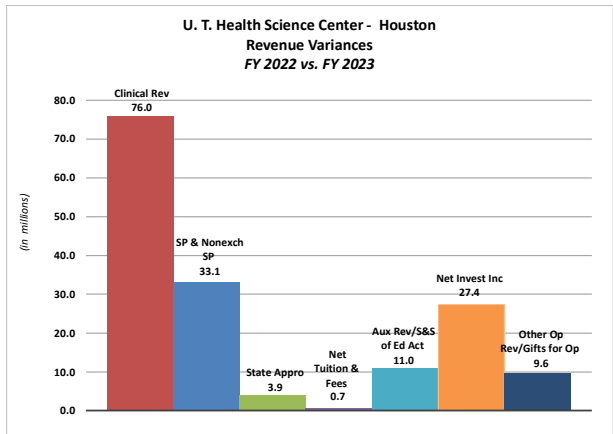


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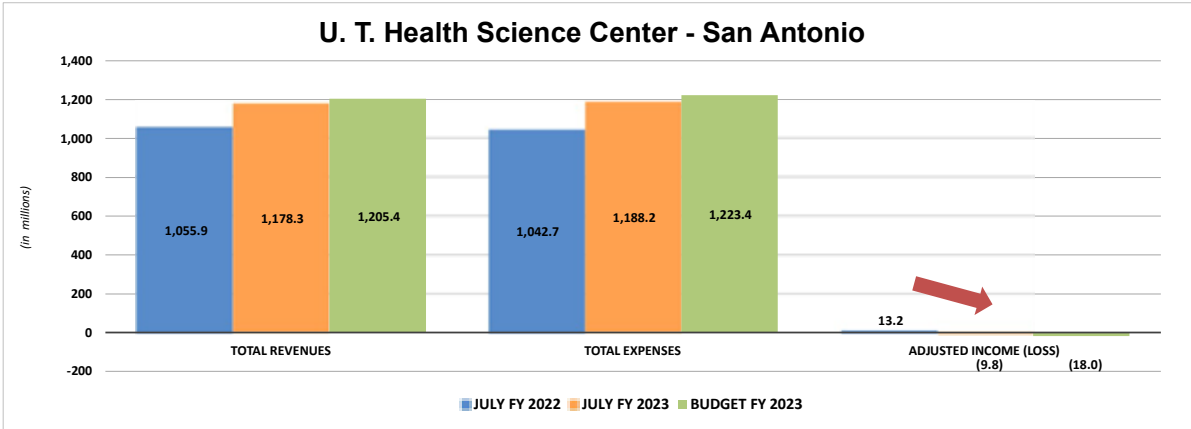


U. T. Health Science Center - Houston reported year-to-date adjusted income of \$7.9 million, a decrease in adjusted income of \$20.6 million (72%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to increases in staff and faculty positions largely related to the opening of the new Dunn Center Building. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$20.3 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 506.3	582.2	76.0	636.1	
Sponsored Programs/Nonexchange Sponsored Programs	977.1	1,010.2	33.1	1,104.8	
State Appropriations	204.8	208.7	3.9	225.9	
Net Tuition and Fees	67.5	68.2	0.7	70.3	
Auxiliary Revenues/Sales & Services of Educational Activities	63.3	74.3	11.0	78.0	
Net Investment Income	66.1	93.6	27.4	94.0	
Other Operating Revenues/Gift Contributions for Operations	75.2	84.8	9.6	98.3	
Total Revenues	1,960.3	2,122.1	161.7	2,307.4	2,258.1
Salaries and Wages/Payroll Related Costs	1,484.6	1,633.5	148.9	1,765.7	
Materials and Supplies/Cost of Goods Sold	98.4	109.4	11.0	115.0	
Depreciation and Amortization	96.6	104.5	7.9	118.6	
Other Contracted Services/Professional Fees & Services	114.6	115.3	0.7	128.5	
All Other Operating Expenses	137.6	151.4	13.8	159.3	
Total Expenses	\$ 1,931.8	2,114.1	182.3	2,287.1	2,254.8
Adjusted Income (Loss)	28.5	7.9	(20.6)	20.3	3.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	125.2	112.5	(12.7)	138.9	80.7

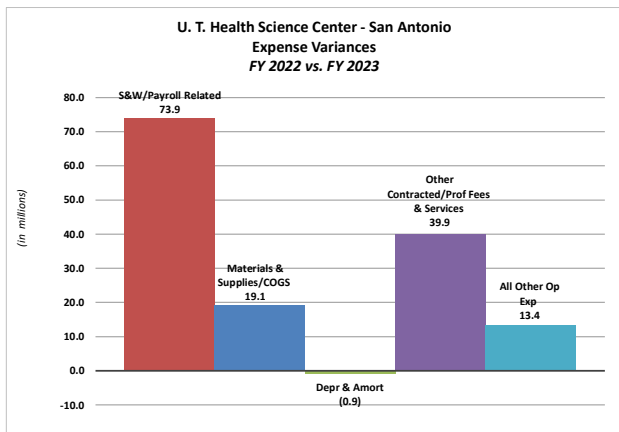
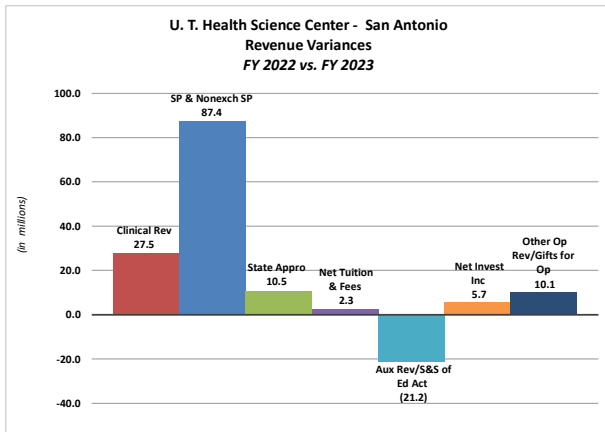


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Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending July 31, 2023**

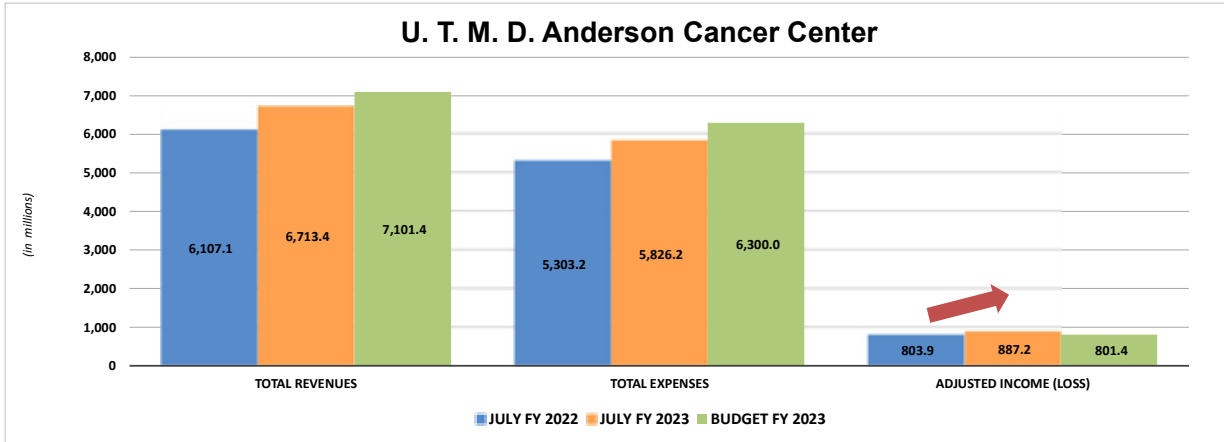


U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$9.8 million, a decrease of \$23.1 million (175%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with planned clinical volume and research growth. The most current projection received from U. T. Health Science Center – San Antonio reflects a loss of \$18.0 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 310.2	337.7	27.5	373.5	
Sponsored Programs/Nonexchange Sponsored Programs	409.4	496.7	87.4	552.0	
State Appropriations	161.4	171.9	10.5	180.6	
Net Tuition and Fees	49.6	51.9	2.3	57.7	
Auxiliary Revenues/Sales & Services of Educational Activities	43.1	22.0	(21.2)	37.1	
Net Investment Income	48.8	54.6	5.7	58.3	
Other Operating Revenues/Gift Contributions for Operations	33.4	43.5	10.1	53.4	
Total Revenues	1,055.9	1,178.3	122.4	1,312.6	1,205.4
Salaries and Wages/Payroll Related Costs	690.9	764.7	73.9	853.2	
Materials and Supplies/Cost of Goods Sold	117.9	137.1	19.1	155.3	
Depreciation and Amortization	65.0	64.1	(0.9)	70.0	
Other Contracted Services/Professional Fees & Services	79.0	118.9	39.9	127.3	
All Other Operating Expenses	89.9	103.3	13.4	124.8	
Total Expenses	\$ 1,042.7	1,188.2	145.4	1,330.6	1,223.4
Adjusted Income (Loss)	13.2	(9.8)	(23.1)	(18.0)	(18.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	78.2	54.3	(23.9)	52.0	51.8

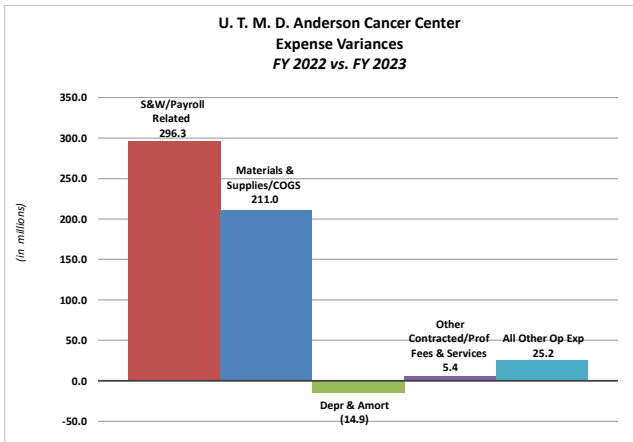
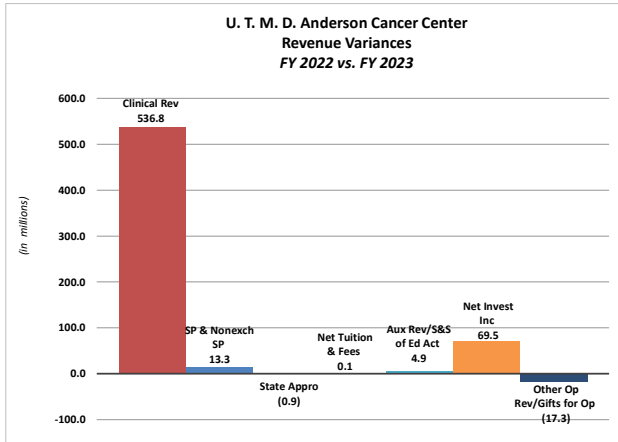


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending July 31, 2023



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$887.2 million, an increase in adjusted income of \$83.3 million (10%) from the prior year. The increase was primarily due to an increase in clinical revenues attributable to increased volume and clinical productivity. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$950.4 million for the year.

(in millions)	July YTD FY 2022	July YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 4,782.8	5,319.6	536.8	5,903.6	
Sponsored Programs/Nonexchange Sponsored Programs	525.5	538.7	13.3	581.7	
State Appropriations	192.8	191.9	(0.9)	209.9	
Net Tuition and Fees	1.8	1.9	0.1	2.0	
Auxiliary Revenues/Sales & Services of Educational Activities	33.0	37.9	4.9	39.1	
Net Investment Income	330.3	399.8	69.5	411.9	
Other Operating Revenues/Gift Contributions for Operations	240.9	223.6	(17.3)	258.1	
Total Revenues	6,107.1	6,713.4	606.3	7,406.4	7,101.4
Salaries and Wages/Payroll Related Costs	2,951.4	3,247.8	296.3	3,589.4	
Materials and Supplies/Cost of Goods Sold	1,308.2	1,519.3	211.0	1,689.4	
Depreciation and Amortization	340.4	325.5	(14.9)	358.6	
Other Contracted Services/Professional Fees & Services	422.6	428.0	5.4	475.9	
All Other Operating Expenses	280.6	305.8	25.2	342.7	
Total Expenses	\$ 5,303.2	5,826.2	523.0	6,456.1	6,300.0
Adjusted Income (Loss)	803.9	887.2	83.3	950.4	801.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,144.3	1,212.7	68.4	1,309.0	1,168.8



3. U. T. System: 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 2023



The University of
Texas System

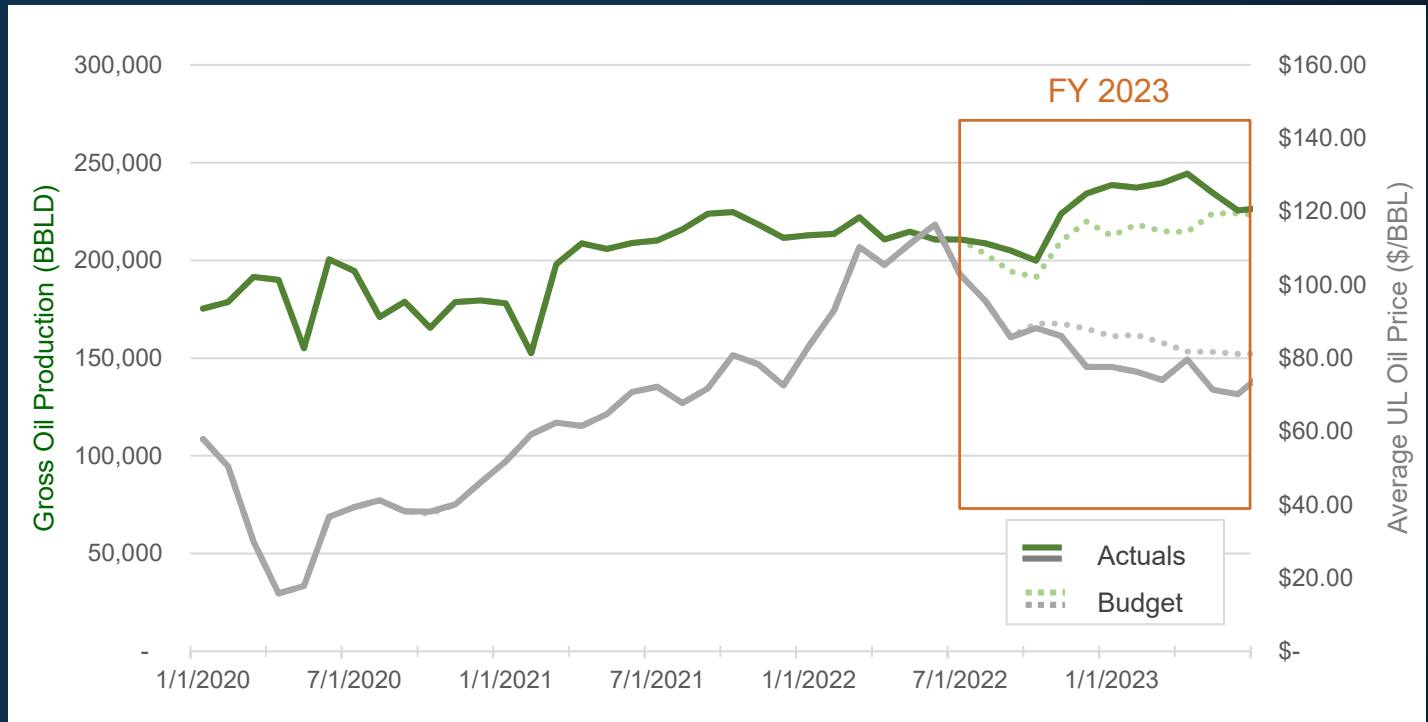
FY 2023 Gross Oil Production and Average Oil Price

FY23 PUF Total
\$1.86B

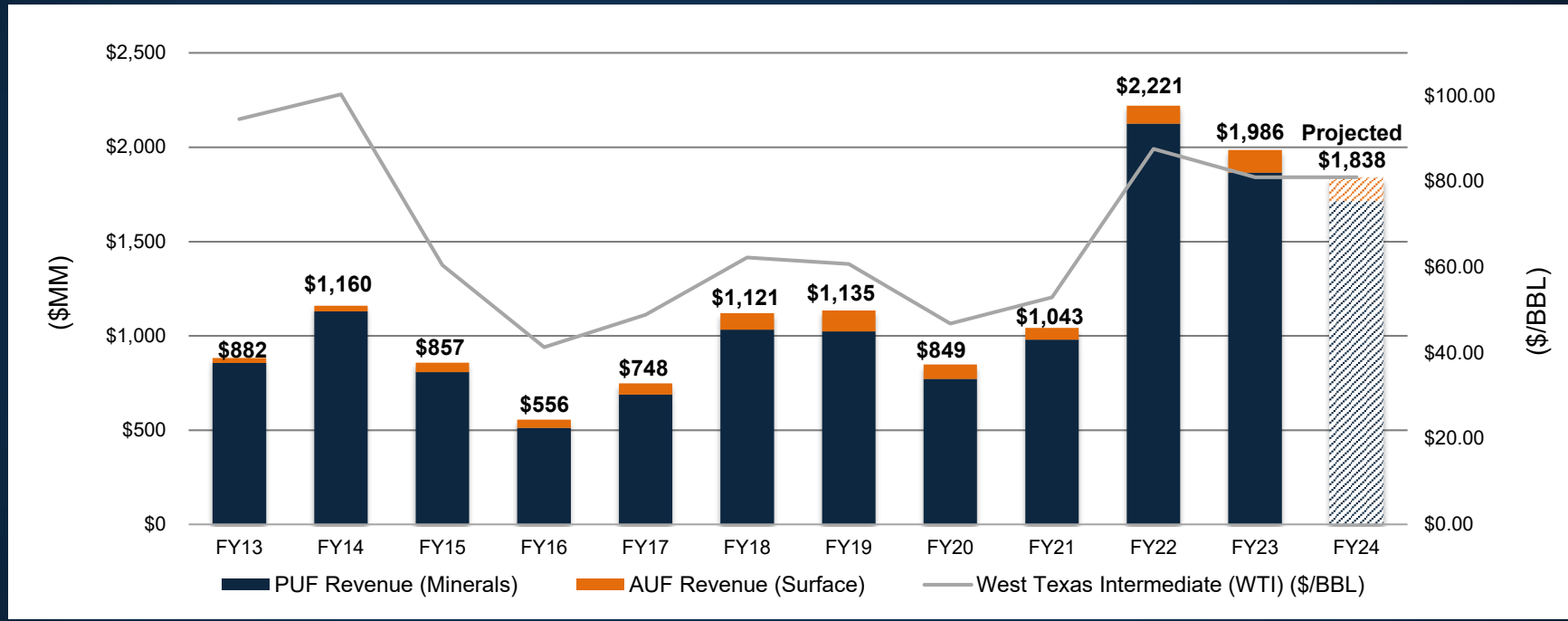
Mineral Only
(oil and gas prod)
\$1.79B

Average Oil Price
\$82.08

Average Gas Price
\$5.32



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






Agenda Book - 75

Lease Sale Results

Upfront Lease Payment
\$18,674,167

Acres Offered		Acres Leased	
N. Midland	93,749	N. Midland	17,550
S. Midland	28,257	S. Midland	10,643
Pecos Co	53,772	Pecos Co	2,948
Culberson Co	7,834	Culberson Co	3,959
	3,886		-

University Lands Oil and Gas Market Environment

Pricing	
Production	
Activity	

- Current oil and NGL prices are creating good near-term cash flows in unconventional oil plays
- Current gas price restrains development of gas prone areas
- Permian Basin remains the preferred basin for investments
- Overall drilling and completion activity is strong