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FOR
FINANCE AND PLANNING COMMITTEE**

Committee Meeting: 5/8/2013

Board Meeting: 5/9/2013
Austin, Texas

Paul L. Foster, Chairman
Printice L. Gary, Vice Chairman
Alex M. Cranberg
Wallace L. Hall, Jr.
Brenda Pejovich

	Committee Meeting	Board Meeting	Page
Convene	12:30 p.m. <i>Chairman Foster</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	12:30 p.m. Action	Action	97
2. U. T. System: Key Financial Indicators Report and Monthly Financial Report	12:35 p.m. Report/Discussion <i>Dr. Kelley</i>	Not on Agenda	98
3. U. T. System: Approval of the Fiscal Year 2014 Budget Preparation Policies and Calendar	12:55 p.m. Action <i>Mr. Wallace</i>	Action	132
4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2013	1:05 p.m. Report/Discussion <i>Mr. Zimmerman</i>	Report	136
Adjourn	1:30 p.m.		

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

The proposed Consent Agenda is at the back of the book.

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report

REPORT

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on Pages 99 - 106 and the March Monthly Financial Report on Pages 107 - 131. The reports represent the consolidated and individual operating detail of the U. T. System institutions.

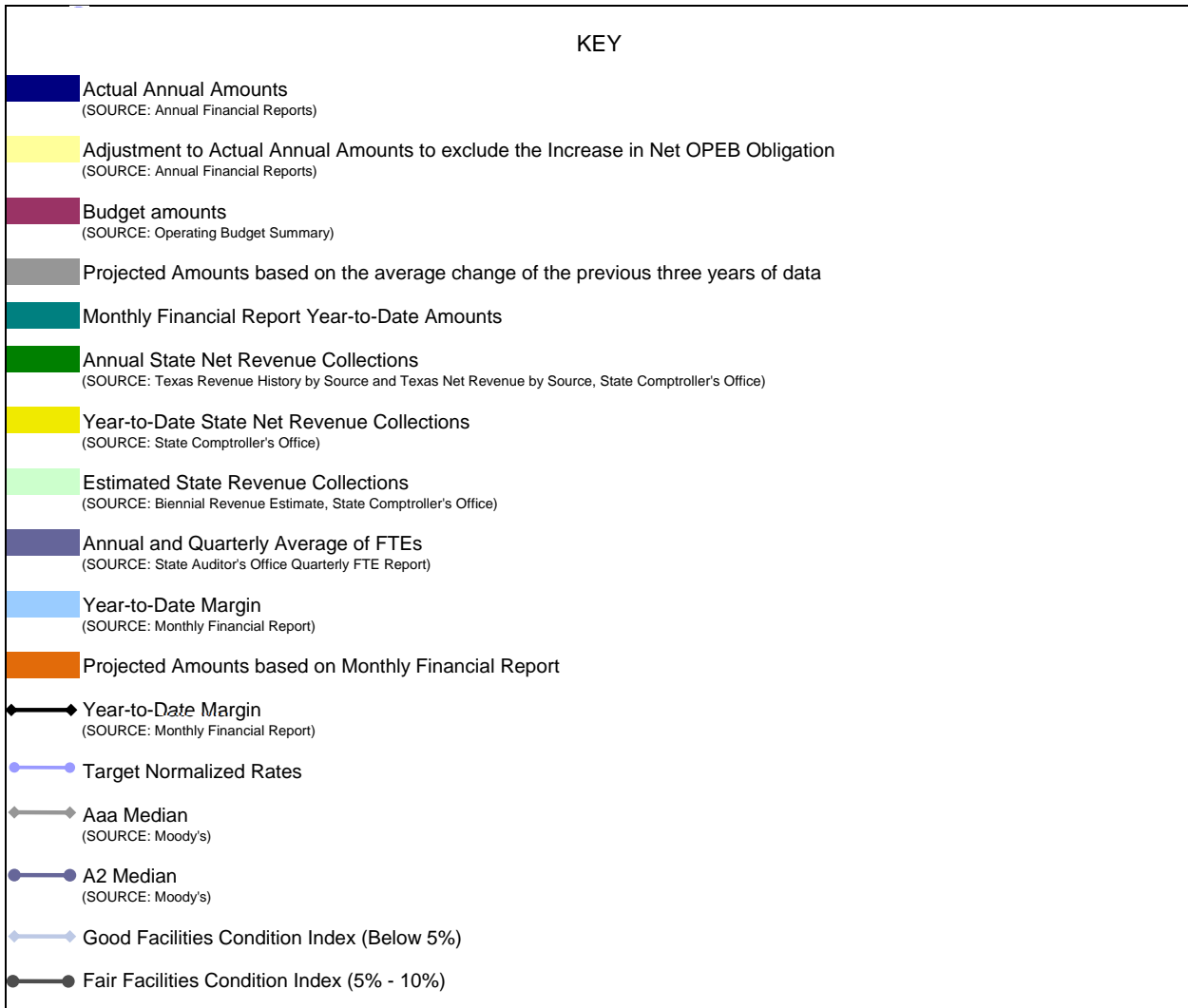
The Key Financial Indicators Report compares the Systemwide quarterly results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2009 through February 2013. Ratios requiring balance sheet data are provided for Fiscal Year 2008 through Fiscal Year 2012.

THE UNIVERSITY OF TEXAS SYSTEM

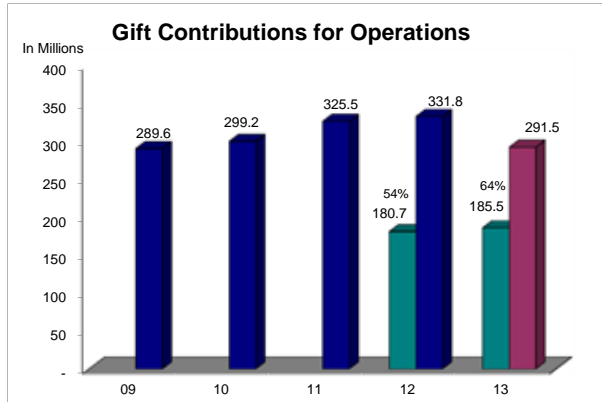
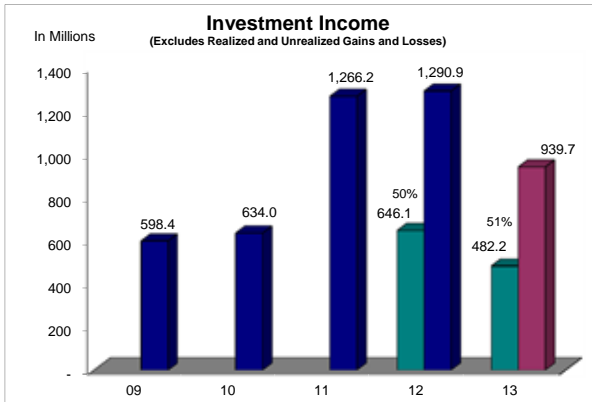
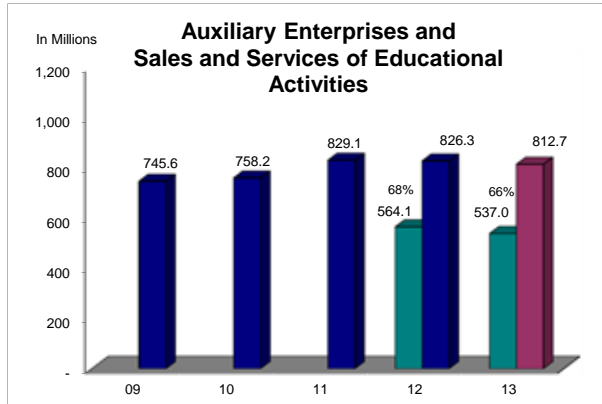
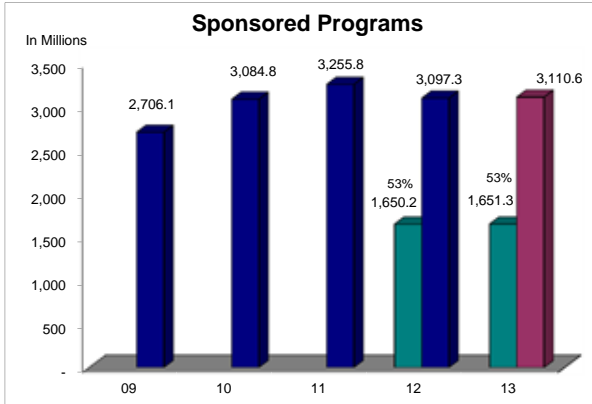
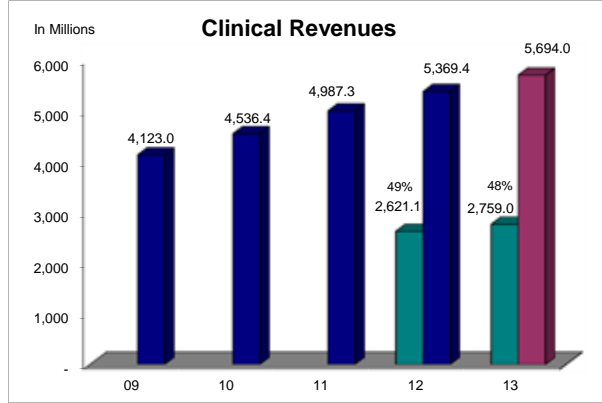
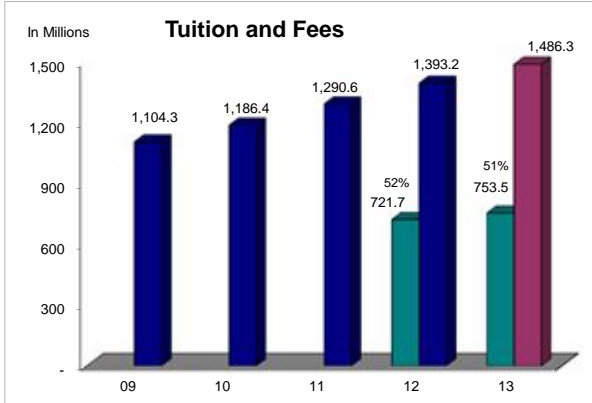
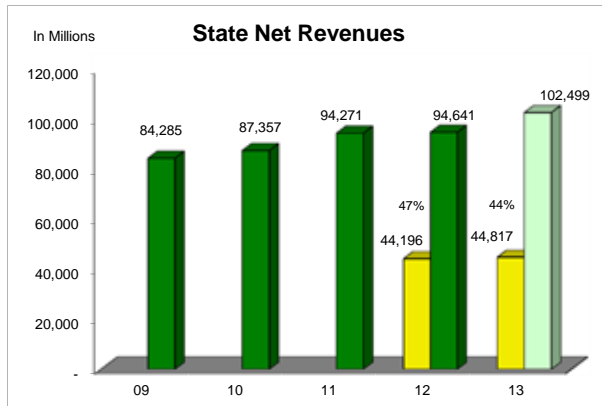
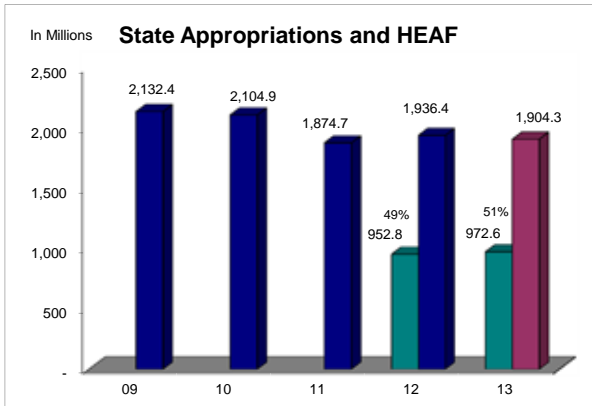


KEY FINANCIAL INDICATORS REPORT

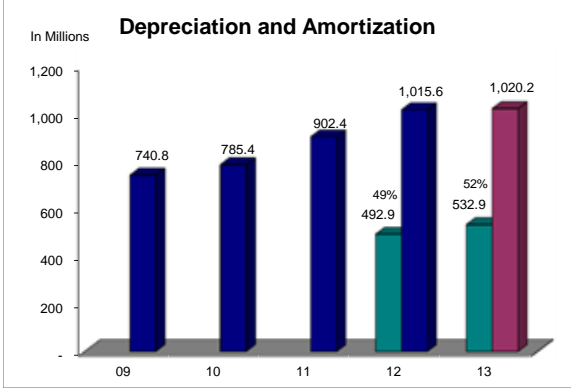
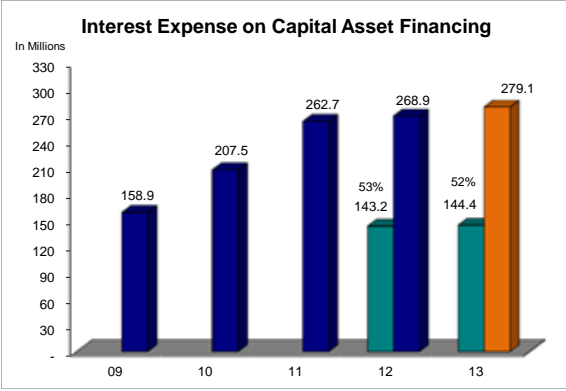
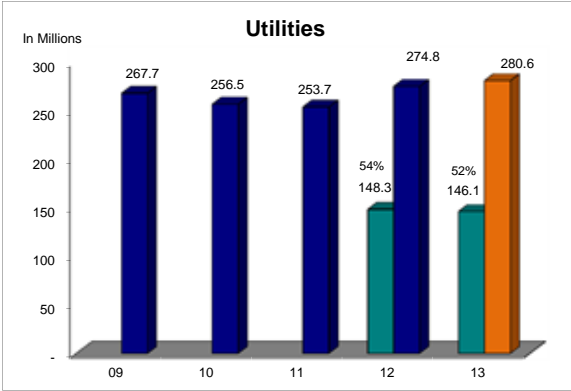
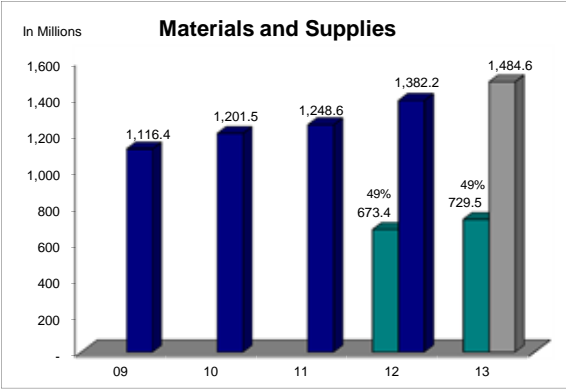
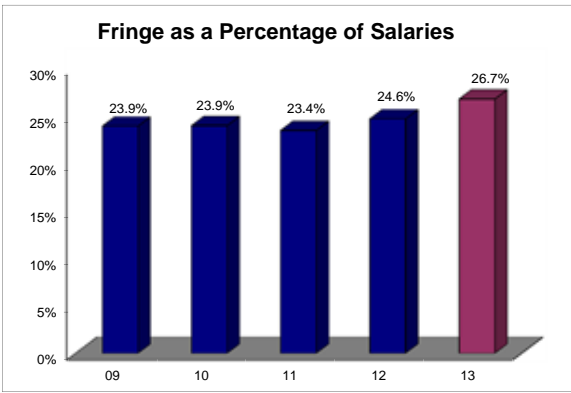
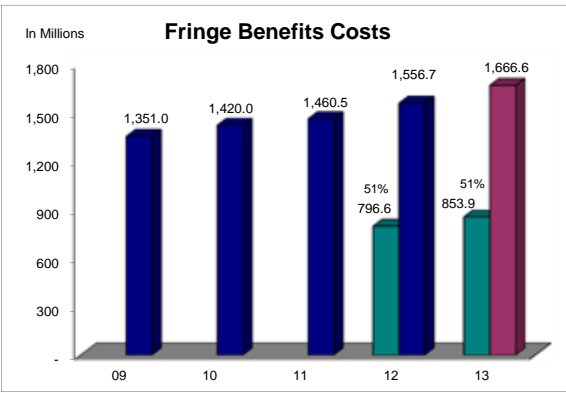
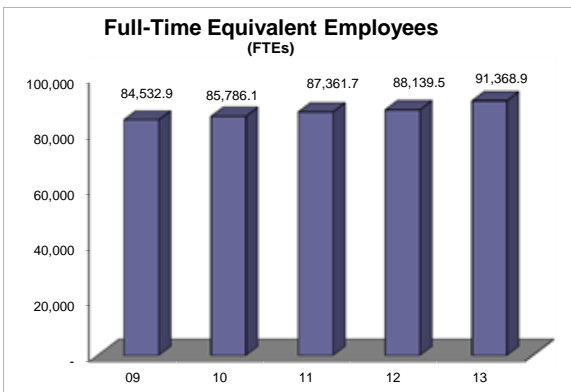
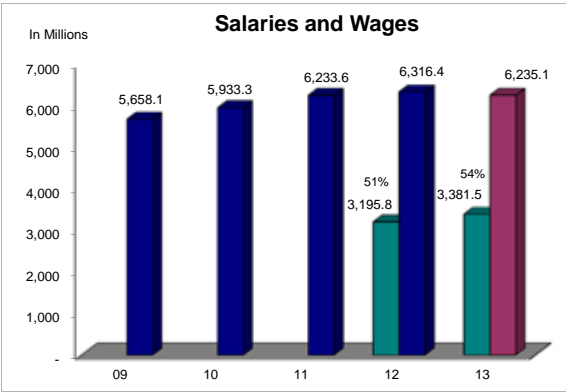
2ND QUARTER FY 2013



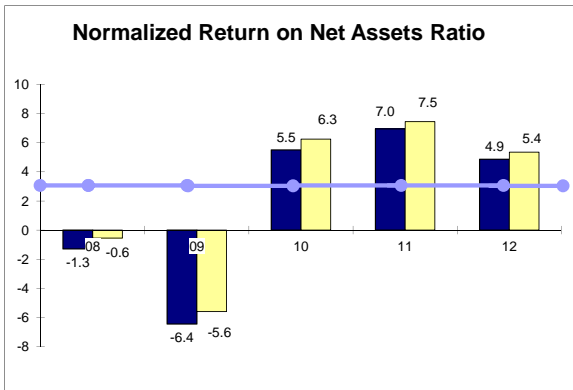
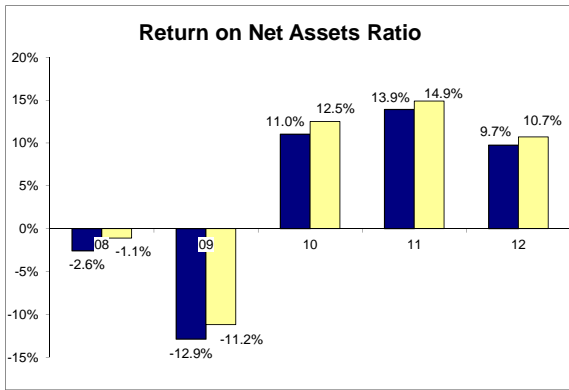
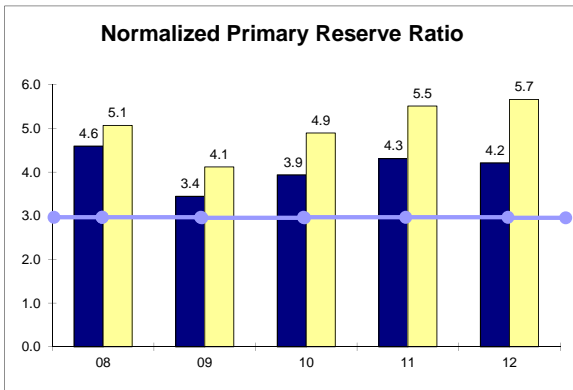
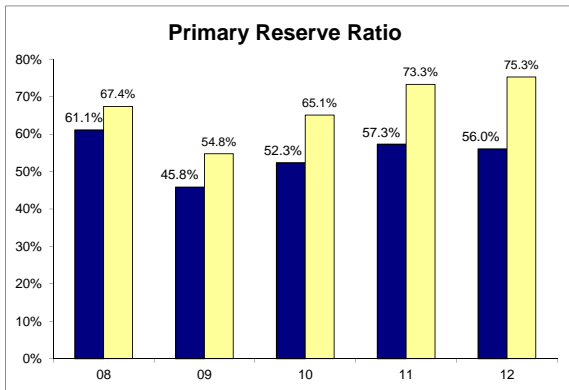
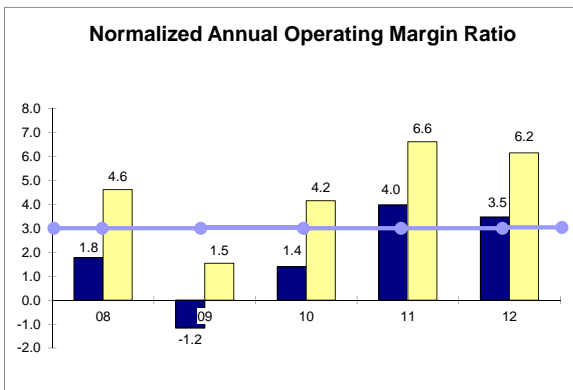
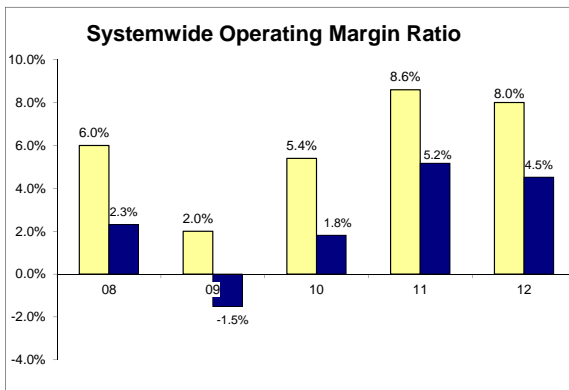
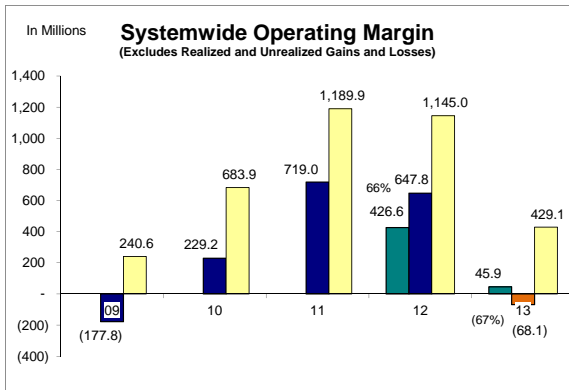
KEY INDICATORS OF REVENUES
ACTUAL 2009 THROUGH 2012
PROJECTED 2013
YEAR-TO-DATE 2012 AND 2013 FROM FEBRUARY MONTHLY FINANCIAL REPORT



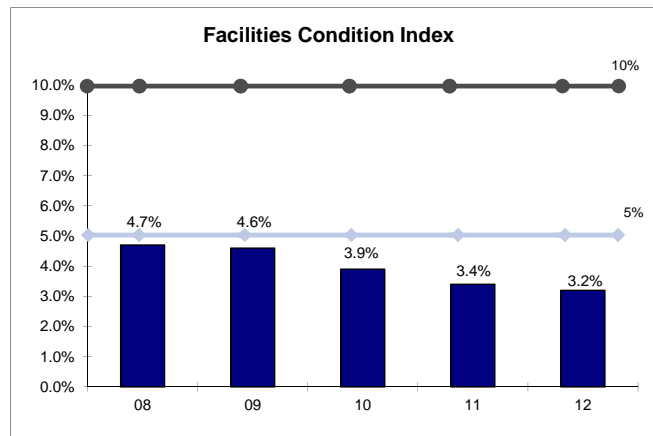
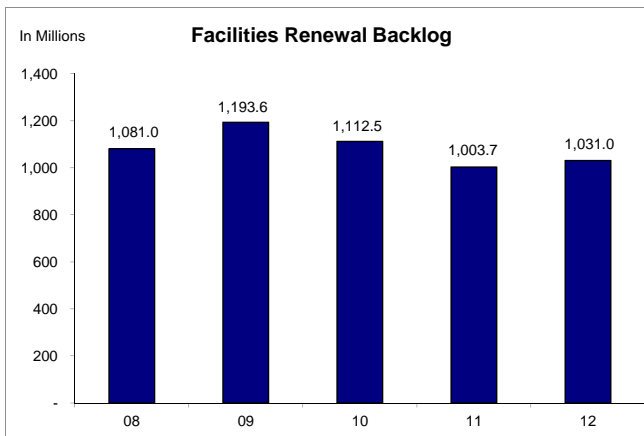
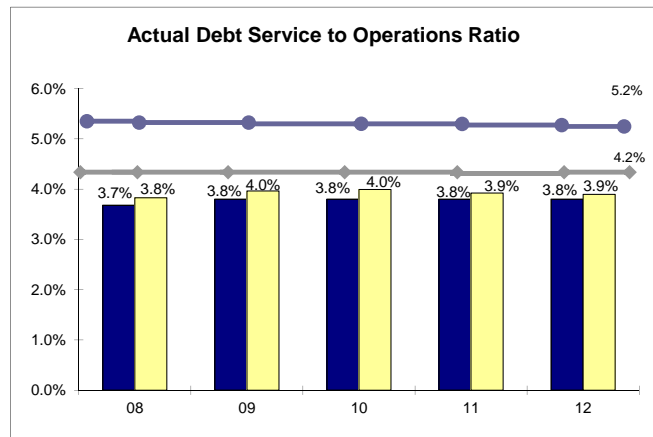
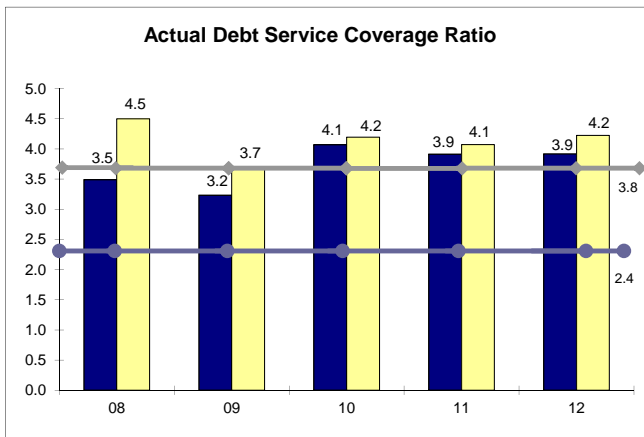
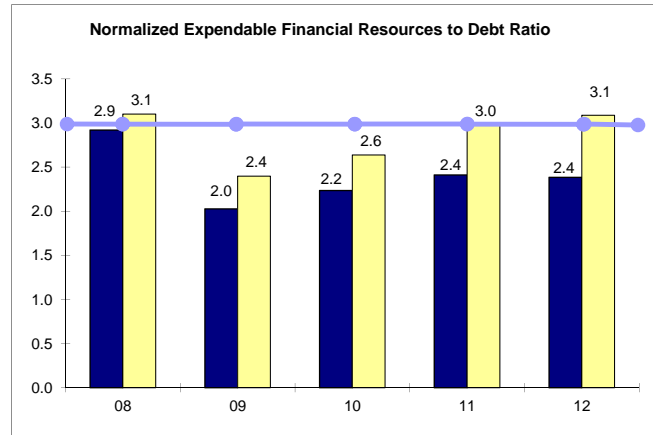
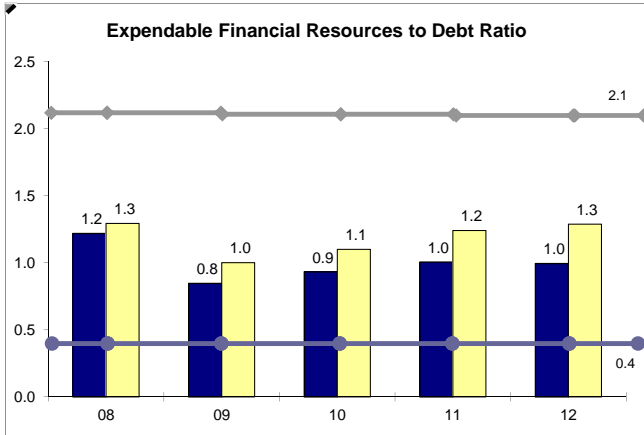
KEY INDICATORS OF EXPENSES
ACTUAL 2009 THROUGH 2012
PROJECTED 2013
YEAR-TO-DATE 2012 AND 2013 FROM FEBRUARY MONTHLY FINANCIAL REPORT



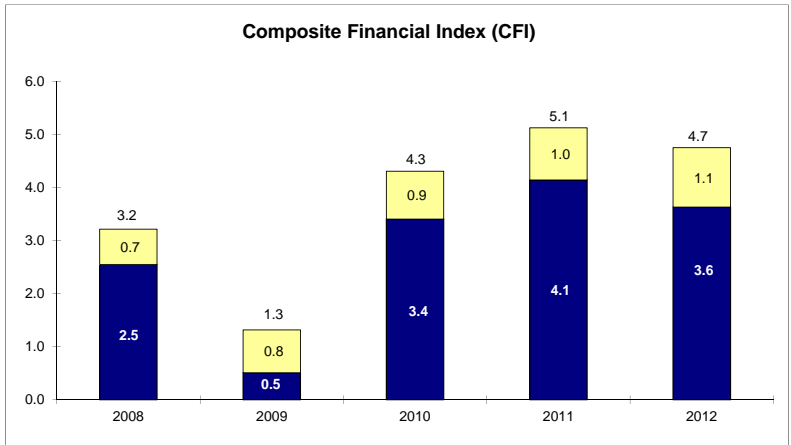
KEY INDICATORS OF RESERVES
ACTUAL 2008 THROUGH 2012
PROJECTED 2013
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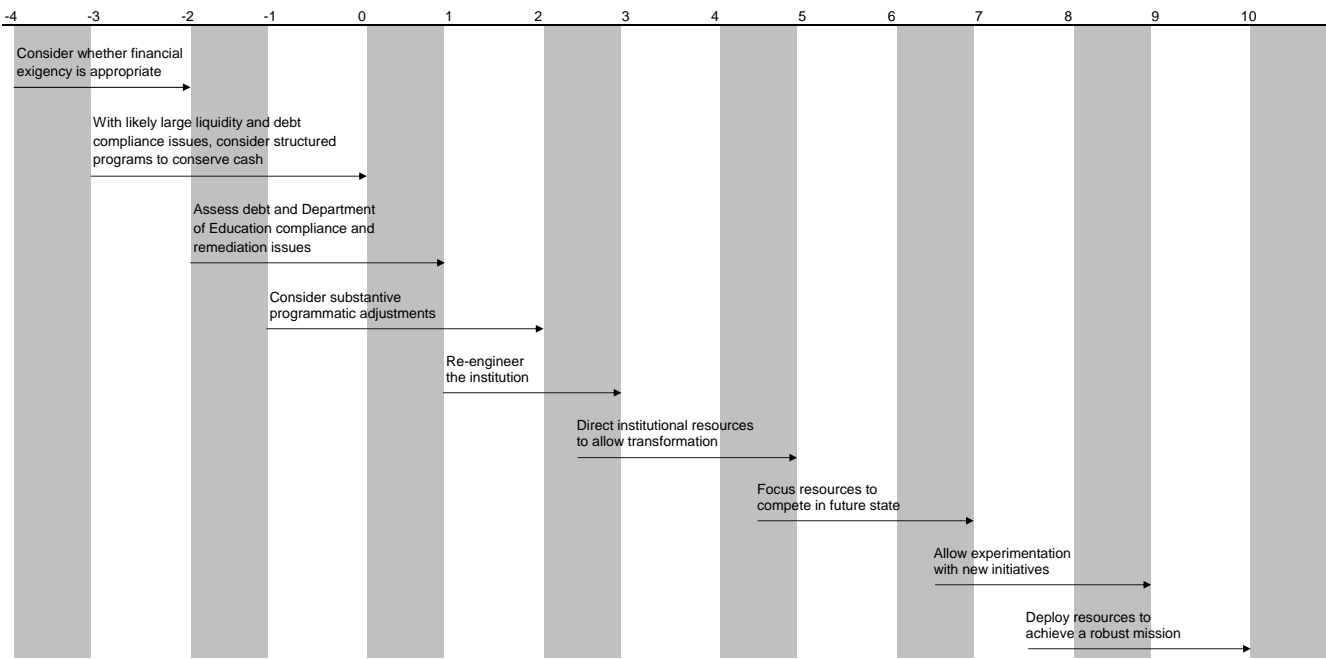
KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2008 THROUGH 2012



**KEY INDICATORS OF FINANCIAL HEALTH
2008 THROUGH 2012**

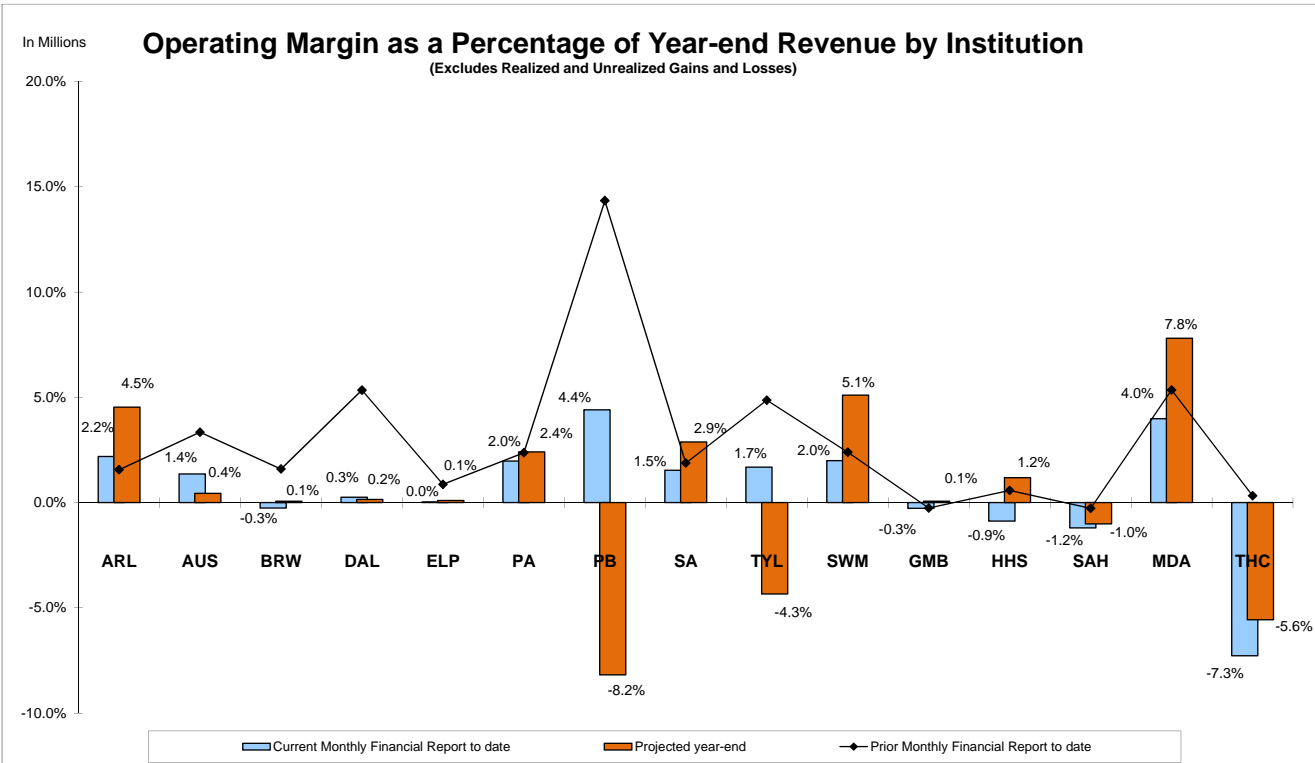
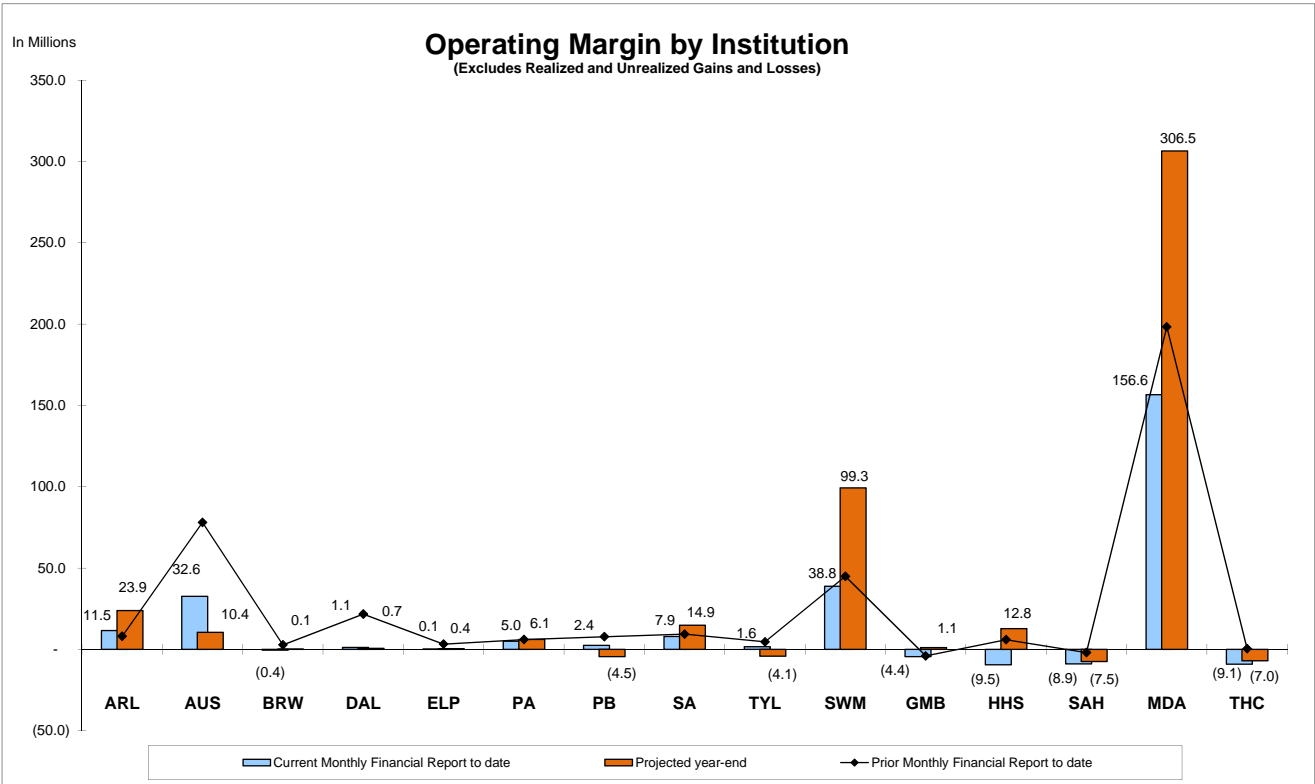


Scale for Charting CFI Performance



Source: Strategic Financial Analysis for Higher Education, Seventh Edition

**KEY INDICATORS OF RESERVES
YEAR-TO-DATE 2012 AND 2013 FROM FEBRUARY MONTHLY FINANCIAL REPORT
PROJECTED 2013 YEAR-END MARGIN**



THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

MARCH 2013



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**THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE SEVEN MONTHS ENDING
MARCH 31, 2013**

**The University of Texas System
Monthly Financial Report**

Foreword

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses, and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

UNAUDITED

The University of Texas System Consolidated
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	873,544,815.43	832,360,876.18	41,183,939.25	4.9%
Sponsored Programs	1,609,002,097.62	1,621,496,385.09	(12,494,287.47)	-0.8%
Net Sales and Services of Educational Activities	315,289,820.69	329,594,516.31	(14,304,695.62)	-4.3%
Net Sales and Services of Hospitals	2,504,953,834.18	2,382,840,853.04	122,112,981.14	5.1%
Net Professional Fees	734,498,135.15	701,880,575.57	32,617,559.58	4.6%
Net Auxiliary Enterprises	296,840,297.34	288,906,475.60	7,933,821.74	2.7%
Other Operating Revenues	147,297,001.52	93,655,695.23	53,641,306.29	57.3%
Total Operating Revenues	6,481,426,001.93	6,250,735,377.02	230,690,624.91	3.7%
Operating Expenses				
Salaries and Wages	3,936,074,187.89	3,731,335,224.09	204,738,963.80	5.5%
Payroll Related Costs	1,002,607,266.83	932,641,511.07	69,965,755.76	7.5%
Cost of Goods Sold	64,565,354.62	58,870,350.22	5,695,004.40	9.7%
Professional Fees and Services	212,260,220.99	192,143,343.29	20,116,877.70	10.5%
Other Contracted Services	357,934,787.68	324,004,000.81	33,930,786.87	10.5%
Travel	76,524,538.24	73,114,415.47	3,410,122.77	4.7%
Materials and Supplies	847,775,309.69	793,454,729.94	54,320,579.75	6.8%
Utilities	169,123,562.29	170,998,309.27	(1,874,746.98)	-1.1%
Communications	75,288,886.82	69,660,898.48	5,627,988.34	8.1%
Repairs and Maintenance	144,081,448.07	140,464,863.59	3,616,584.48	2.6%
Rentals and Leases	82,252,991.61	78,941,422.89	3,311,568.72	4.2%
Printing and Reproduction	17,899,611.20	15,642,475.07	2,257,136.13	14.4%
Bad Debt Expense	380,936.73	1,225,376.63	(844,439.90)	-68.9%
Claims and Losses	5,572,995.59	7,782,483.28	(2,209,487.69)	-28.4%
Increase in Net OPEB Obligation	290,041,823.75	274,685,210.33	15,356,613.42	5.6%
Scholarships and Fellowships	329,938,402.47	325,656,956.77	4,281,445.70	1.3%
Depreciation and Amortization	620,149,019.02	576,442,424.09	43,706,594.93	7.6%
Federal Sponsored Program Pass-Through to Other State Agencies	12,651,442.74	14,256,536.98	(1,605,094.24)	-11.3%
State Sponsored Program Pass-Through to Other State Agencies	873,933.29	476,948.88	396,984.41	83.2%
Other Operating Expenses	203,716,480.35	184,478,208.21	19,238,272.14	10.4%
Total Operating Expenses	8,449,713,199.87	7,966,275,689.36	483,437,510.51	6.1%
Operating Loss	(1,968,287,197.94)	(1,715,540,312.34)	(252,746,885.60)	-14.7%
Other Nonoperating Adjustments				
State Appropriations	1,134,437,035.00	1,109,518,440.65	24,918,594.35	2.2%
Nonexchange Sponsored Programs	282,826,616.10	271,311,505.63	11,515,110.47	4.2%
Gift Contributions for Operations	216,219,225.11	209,364,308.03	6,854,917.08	3.3%
Net Investment Income	574,864,948.97	750,672,191.13	(175,807,242.16)	-23.4%
Interest Expense on Capital Asset Financings	(164,307,918.65)	(161,204,589.80)	(3,103,328.85)	-1.9%
Net Other Nonoperating Adjustments	2,044,039,906.53	2,179,661,855.64	(135,621,949.11)	-6.2%
Adjusted Income (Loss) including Depreciation & Amortization	75,752,708.59	464,121,543.30	(388,368,834.71)	-83.7%
Adjusted Margin % including Depreciation & Amortization	0.9%	5.4%		
Investment Gain (Losses)	1,617,808,884.24	213,459,076.14	1,404,349,808.10	657.9%
Adj. Inc. (Loss) with Investment Gains (Losses)	1,693,561,592.83	677,580,619.44	1,015,980,973.39	149.9%
Adj. Margin % with Investment Gains (Losses)	16.4%	7.7%		
Adjusted Income (Loss) excluding Depreciation & Amortization	695,901,727.61	1,040,563,967.39	(344,662,239.78)	-33.1%
Adjusted Margin % excluding Depreciation & Amortization	8.0%	12.1%		

**The University of Texas System
Comparison of Adjusted Income (Loss)
For the Seven Months Ending March 31, 2013**

	Including Depreciation and Amortization Expense				Fluctuation Percentage
	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance		
U. T. System Administration	\$ (73,430,456.11)	\$ 152,468,202.39	(225,898,658.50)	(1)	-148.2%
U. T. Arlington	11,427,994.75	8,263,101.76	3,164,892.99	(2)	38.3%
U. T. Austin	33,794,208.32	74,640,493.69	(40,846,285.37)	(3)	-54.7%
U. T. Brownsville	(417,970.71)	3,029,768.70	(3,447,739.41)	(4)	-113.8%
U. T. Dallas	2,879,661.20	15,175,295.44	(12,295,634.24)	(5)	-81.0%
U. T. El Paso	238,354.29	3,675,878.48	(3,437,524.19)	(6)	-93.5%
U. T. Pan American	7,407,054.05	7,695,828.62	(288,774.57)		-3.8%
U. T. Permian Basin	715,119.86	7,760,492.16	(7,045,372.30)	(7)	-90.8%
U. T. San Antonio	7,779,993.82	9,397,854.33	(1,617,860.51)		-17.2%
U. T. Tyler	1,334,815.88	5,263,905.24	(3,929,089.36)	(8)	-74.6%
U. T. Southwestern Medical Center	51,916,849.69	46,583,607.03	5,333,242.66		11.4%
U. T. Medical Branch - Galveston	(3,988,542.27)	(3,978,924.40)	(9,617.87)		-0.2%
U. T. Health Science Center - Houston	(8,745,799.55)	7,576,215.68	(16,322,015.23)	(10)	-215.4%
U. T. Health Science Center - San Antonio	(9,160,222.31)	(859,727.45)	(8,300,494.86)	(11)	-965.5%
U. T. M. D. Anderson Cancer Center	186,958,423.52	231,227,199.08	(44,268,775.56)	(12)	-19.1%
U. T. Health Science Center - Tyler	(10,581,025.84)	945,685.88	(11,526,711.72)	(13)	-1,218.9%
Elimination of AUF Transfer	(122,375,750.00)	(104,743,333.33)	(17,632,416.67)		-16.8%
Total Adjusted Income (Loss)	75,752,708.59	464,121,543.30	(388,368,834.71)		-83.7%
Investment Gains (Losses)	1,617,808,884.24	213,459,076.14	1,404,349,808.10		657.9%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ 1,693,561,592.83	\$ 677,580,619.44	\$ 1,015,980,973.39		149.9%

	Excluding Depreciation and Amortization Expense				Fluctuation Percentage
	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance		
U. T. System Administration	\$ (69,122,040.39)	\$ 156,955,082.31	(226,077,122.70)		-144.0%
U. T. Arlington	32,993,705.15	28,481,200.60	4,512,504.55		15.8%
U. T. Austin	188,377,541.65	217,045,876.15	(28,668,334.50)		-13.2%
U. T. Brownsville	4,300,017.79	7,603,570.86	(3,303,553.07)		-43.4%
U. T. Dallas	26,971,107.58	37,088,893.07	(10,117,785.49)		-27.3%
U. T. El Paso	15,592,348.65	18,036,712.36	(2,444,363.71)		-13.6%
U. T. Pan American	16,190,494.35	15,912,877.01	277,617.34		1.7%
U. T. Permian Basin	7,540,119.86	14,505,613.09	(6,965,493.23)		-48.0%
U. T. San Antonio	32,645,976.82	33,210,556.88	(564,580.06)		-1.7%
U. T. Tyler	7,822,581.39	11,872,676.11	(4,050,094.72)		-34.1%
U. T. Southwestern Medical Center	114,792,167.68	105,440,001.42	9,352,166.26		8.9%
U. T. Medical Branch - Galveston	51,180,339.67	45,632,559.94	5,547,779.73		12.2%
U. T. Health Science Center - Houston	24,137,430.73	37,744,933.12	(13,607,502.39)		-36.1%
U. T. Health Science Center - San Antonio	19,423,111.02	25,973,605.88	(6,550,494.86)		-25.2%
U. T. M. D. Anderson Cancer Center	350,816,347.14	383,734,063.78	(32,917,716.64)		-8.6%
U. T. Health Science Center - Tyler	(5,383,771.48)	6,069,078.14	(11,452,849.62)		-188.7%
Elimination of AUF Transfer	(122,375,750.00)	(104,743,333.33)	(17,632,416.67)		-16.8%
Total Adjusted Income (Loss)	695,901,727.61	1,040,563,967.39	(344,662,239.78)		-33.1%
Total Adjusted Income (Loss) Excluding Depreciation and Amortization	\$ 695,901,727.61	\$ 1,040,563,967.39	\$ (344,662,239.78)		-33.1%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Seven Months Ending March 31, 2013

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss and/or a projected year-to-date loss.

- (1) U. T. System Administration - The \$225.9 million (148.2%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily due to a decrease in net investment income. While oil royalties have increased, this increase was offset by a decrease in oil and gas lease bonus sales as most of the prime acreage was leased in the two prior years. As a result of the accrual of Other Postemployment Benefits (OPEB) expense for the entire *U. T. System*, *U. T. System Administration* incurred a year-to-date loss of \$73.4 million. Excluding depreciation and amortization expense, *U. T. System Administration's* adjusted loss was \$69.1 million or -20.6%. *U. T. System Administration* anticipates ending the year with a \$273.8 million loss, which represents -65.8% of projected revenues and includes an accrual of \$497.2 million for OPEB expense for the entire *U. T. System*.

U. T. Brownsville incurred a year-to-date loss of \$418,000; however, they anticipate ending the year with a positive margin of \$111,000 which represents 0.1% of projected revenues and includes \$8.1 million of depreciation and amortization expense. Excluding depreciation and amortization expense, *U. T. Brownsville's* adjusted income was \$4.3 million or 3.9%.
- (2) U. T. Arlington - The \$3.2 million (38.3%) increase in adjusted income over the same period last year was primarily due to an increase in net student tuition and net auxiliary enterprises. Tuition and fee revenue was understated in 2012 and 2013 amounts are more in line with expectations. Net auxiliary enterprises increased due to the opening of Vandergriff Hall dormitory. Excluding depreciation and amortization expense, *U. T. Arlington's* adjusted income was \$33.0 million or 10.9%.
- (3) U. T. Austin - The \$40.8 million (54.7%) decrease in adjusted income over the same period last year was primarily attributable to an increase in materials and supplies and depreciation and amortization. The increase in materials and supplies was due to furniture and equipment purchased for newly opened or renovated buildings on campus, as well as an increase in telecommunications equipment for the systemwide area networking project. Prior to March 2013, *U. T. Austin* included cost of goods sold in materials and supplies. Therefore, the prior year amount for materials and supplies includes cost of goods sold which conceals the true variance on materials and supplies. Additionally, gift contributions for operations decreased primarily due to a reduction in pledges and decreases in gifts received for the Texas Advanced Computing Center and the ICES Excellence Fund as compared to the prior year. Excluding depreciation and amortization expense, *U. T. Austin's* adjusted income was \$188.4 million or 12.4%.
- (4) U. T. Brownsville - The \$3.4 million (113.8%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily due to a decrease in Texas Southmost College (TSC) contract revenue and one-time separation costs, all related to the separation from TSC. Additionally, PeopleSoft project costs contributed to the decrease in margin.

U. T. Dallas - The \$12.3 million (81.0%) decrease in adjusted income over the same period last year was primarily attributable to an increase in salaries and wages expense and payroll related costs due to overall growth and an increase in the number of faculty. Excluding depreciation and amortization expense, *U. T. Dallas'* adjusted income was \$27.0 million or 10.1%.

U. T. El Paso - The \$3.4 million (93.5%) decrease in adjusted income over the same period last year was primarily attributable to a decrease in gifts for operations due a large gift received in 2012 which was initially recorded as an operating gift and was later correctly reclassified as an endowment. Also contributing to the variance were increases in the following expenses: depreciation and amortization expense increased as a result of the Physical Sciences/Engineering Core Facility, Chemistry and Computer Science building, and the Schuster Parking Garage, which were placed into service in 2012; and repairs and maintenance increased as a result of repairs across campus, combined with an increase in the renewal of software licenses and equipment service agreements. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$15.6 million or 6.4%.
- (5) U. T. Dallas - The \$12.3 million (81.0%) decrease in adjusted income over the same period last year was primarily attributable to an increase in salaries and wages expense and payroll related costs due to overall growth and an increase in the number of faculty. Excluding depreciation and amortization expense, *U. T. Dallas'* adjusted income was \$27.0 million or 10.1%.
- (6) U. T. El Paso - The \$3.4 million (93.5%) decrease in adjusted income over the same period last year was primarily attributable to a decrease in gifts for operations due a large gift received in 2012 which was initially recorded as an operating gift and was later correctly reclassified as an endowment. Also contributing to the variance were increases in the following expenses: depreciation and amortization expense increased as a result of the Physical Sciences/Engineering Core Facility, Chemistry and Computer Science building, and the Schuster Parking Garage, which were placed into service in 2012; and repairs and maintenance increased as a result of repairs across campus, combined with an increase in the renewal of software licenses and equipment service agreements. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$15.6 million or 6.4%.
- (7) U. T. Permian Basin - The \$7.0 million (90.8%) decrease in adjusted income over the same period last year was primarily attributable to increases in salaries and wages, payroll related costs, and scholarship and fellowship expense, and a decrease in net student tuition related to errors made in 2011 that were identified and corrected in 2012. Excluding depreciation and amortization expense, *U. T. Permian Basin's* adjusted income was \$7.5 million or 20.5%. *U. T. Permian Basin* anticipates ending the year with a \$4.3 million loss which represents -7.7% of projected revenues and includes \$11.7 million of depreciation and amortization expense.
- (8) U. T. Tyler - The \$3.9 million (74.6%) decrease in adjusted income over the same period last year was primarily attributable to an increase in salaries and wages expense and payroll related costs due to increased personnel for the newly acquired Discovery Science Place, Innovation Academy, and charter schools, as well as one-time merit salary increases

awarded in December. In addition, one-time Information Technology (IT) projects and purchases of computer equipment resulted in an increase in materials and supplies. Excluding depreciation and amortization expense, *U. T. Tyler's* adjusted income was \$7.8 million or 12.9%. *U. T. Tyler* anticipates ending the year with a \$4.0 million loss which represents -4.1% of projected revenues and includes \$11.3 million of depreciation and amortization expense. The projected loss is the result of an increase in personnel across the campus, merit salary increases and building renovations. *U. T. Tyler's* use of prior year balances was approved by *U. T. System Administration* for 2013 for one-time nonrecurring expenses.

- (9) *U. T. Medical Branch - Galveston* - *UTMB* incurred a year-to-date loss of \$4.0 million primarily due to lower than anticipated net patient care revenue as a result of lower than expected hospital admissions. Excluding depreciation and amortization expense, *UTMB's* adjusted income was \$51.2 million or 5.5%. *UTMB* is actively monitoring revenues and expenses and expects to end the year with a positive margin of \$1.1 million which represents 0.1% of projected revenues and includes depreciation and amortization expense of \$93.3 million.
- (10) *U. T. Health Science Center - Houston* - The \$16.3 million (215.4%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily due to an increase in salaries and wages and payroll related costs largely attributable to the growth in the physician practice plan. Materials and supplies also increased due to one-time costs associated with the physician practice plan for noncapitalized furniture and equipment, as well as IT costs which contributed to a year-to-date loss of \$8.7 million. Excluding depreciation and amortization expense, *UTHSC-Houston's* adjusted income was \$24.1 million or 3.9%. *UTHSC-Houston* anticipates ending the year with a positive margin of \$8.2 million, which represents 0.8% of projected revenues, as the remainder of the House Bill 4 supplemental funding received in 2012 for use in 2013 is fully recognized and as revenue from new programs associated with the Memorial Hermann Hospital contract are reported.
- (11) *U. T. Health Science Center - San Antonio* - The \$8.3 million (965.5%) increase in adjusted loss over the same period last year was primarily due to an increase in salaries and wages attributable to faculty incentive payments as a result of the school's continued effort to adjust performance-based compensation per the XYZ plan, as well as a 2.5% merit salary increase enacted for both faculty and staff. In addition, clinical fee for service revenue collections experienced a timing difference in the revenue reported for 2013 compared to 2012, which *UTHSC-San Antonio* anticipates will normalize by fiscal year end. Also contributing to the variance were unfunded costs associated with the Pediatrics transition from CHRISTUS Santa Rosa in preparation of the new Children's Hospital and increases in depreciation expense. *UTHSC-San Antonio* anticipates ending the year with a \$7.5 million loss, which is primarily attributable to increased depreciation expenses as a result of capital expansions, unfunded transition costs in preparation of

the upcoming pediatric hospital, and targeted investments in support of the strategic plan through the end of the fiscal year. Excluding depreciation and amortization expense, *UTHSC-San Antonio's* adjusted income was \$19.4 million or 4.6%. The projected loss of \$7.5 million represents -1.0% of projected revenues, includes \$49.0 million of depreciation and amortization expense, and is supported by \$223.9 million of unrestricted net assets.

- (12) *U. T. M. D. Anderson Cancer Center* - The \$44.3 million (19.1%) decrease in adjusted income over the same period last year was primarily attributable to an increase in salaries and wages and payroll related costs due to an increase in full-time equivalents and merit increases enacted mid-year 2012 creating a timing difference in expenses for 2012 compared to 2013. Excluding depreciation and amortization expense, *M. D. Anderson's* adjusted income was \$350.8 million or 15.5%.
- (13) *U. T. Health Science Center - Tyler* - The \$11.5 million (1,218.9%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily attributable to a decrease in state appropriations as all additional revenue from House Bill 4 was recognized in 2012. Also contributing to the variance was an increase in salaries and wages due to the addition of several physicians and staff related to medical and academic program expansion. As a result of these factors, *UTHSC-Tyler* incurred a year-to-date loss of \$10.6 million. Excluding depreciation and amortization expense, *UTHSC-Tyler* had an adjusted loss of \$5.4 million or -8.1%. *UTHSC-Tyler* anticipates ending the year with an \$8.1 million loss which represents -6.5% of projected revenues and includes \$8.9 million of depreciation and amortization expense. The projected loss is the result of start-up costs related to new academic programs and the expansion of medical programs to include pediatric rehabilitation, cardiology, pulmonology, internal medicine, and oncology.

GLOSSARY OF TERMS

OPERATING REVENUES:

NET STUDENT TUITION - All student tuition and fee revenues earned at the UT institution for educational purposes, net of tuition discounting.

SPONSORED PROGRAMS - Funding received from local, state and federal governments or private agencies, organizations or individuals, excluding Federal Pell Grant Program which is reported as nonoperating. 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.

NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES - Revenues that are 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.

NET SALES AND SERVICES OF HOSPITALS - Revenues (net of discounts, allowances, and bad debt expense) generated from UT health institution's 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 UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. 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 (e.g., certified nonprofit healthcare company revenues, donated drugs, interest on student loans, etc.) Other receipts for settlements, judgments and lawsuits are considered nonoperating revenues.

OPERATING EXPENSES:

SALARIES AND WAGES - Expenses for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc. Includes salary augmentation and incentive compensation.

PAYROLL RELATED COSTS - Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution. Includes supplemental retirement annuities.

COST OF GOODS SOLD - Purchases of goods for resale and raw materials purchased for use in the manufacture of products intended for sale to others.

PROFESSIONAL FEES AND SERVICES - Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.

OTHER CONTRACTED SERVICES - Payments for services rendered on a contractual basis by a person, firm, corporation or company that possess a lesser degree of learning and responsibility than that required for Professional Fees and Services. Includes such items as temporary employment expenses, janitorial services, dry cleaning services, etc.

TRAVEL - Payments for travel costs incurred by employees and board members for meetings and training.

MATERIALS AND SUPPLIES - Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.

UTILITIES - Payments for the purchase of electricity, natural gas, water, and thermal energy.

COMMUNICATIONS - Electronically transmitted communications services (telephone, internet, computation center services, etc.).

REPAIRS AND MAINTENANCE - Payments for the maintenance and repair of equipment, furnishings, motor vehicles, buildings and other plant facilities, and waste disposal. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment - including medical and laboratory equipment, office equipment and aircraft.

RENTALS AND LEASES - Payments for rentals or leases of furnishings and equipment, vehicles, land and office buildings (all rental of space).

PRINTING AND REPRODUCTION - Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.

BAD DEBT EXPENSE - Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.

CLAIMS AND LOSSES - Payments for claims from self-insurance programs. Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

INCREASE IN NET OPEB OBLIGATION - The change in the actuarially estimated liability of the cost of providing healthcare benefits to UT System's employees after they separate from employment (retire).

SCHOLARSHIPS AND FELLOWSHIPS - Payments made for scholarship grants to students authorized by law, net of tuition discounting.

FEDERAL SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including other universities, of federal grants and contracts.

STATE SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including Texas universities.

DEPRECIATION AND AMORTIZATION - Depreciation on capital assets and amortization expense on intangible assets.

OTHER OPERATING EXPENSES - Other operating expenses not identified in other line items above (e.g., certified non-profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.). Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

OPERATING LOSS - Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.

OTHER NONOPERATING ADJUSTMENTS:

STATE APPROPRIATIONS - Appropriations from the State General Revenue fund, which supplement the UT institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support.

NONEXCHANGE SPONSORED PROGRAMS - Funding received for the Federal Pell Grant Program, the portion of "state appropriations" funded by the American Recovery and Reinvestment Act, Texas Research Incentive Program (TRIP) and Enrollment Growth funding.

GIFT CONTRIBUTIONS FOR OPERATIONS - Consist of gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts. Gifts for capital acquisition which can only be used to build or buy capital assets are excluded because they cannot be used to support current operations. Endowment gifts must be held in perpetuity and cannot be spent. The distributed income from endowment gifts must be spent according to the donor's stipulations.

NET INVESTMENT INCOME (on institutions' sheets) - Interest and dividend income on treasury balances, bank accounts, Short Term Fund, Intermediate Term Fund and Long Term Fund. It also includes distributed earnings from the Permanent Health Fund and patent and royalty income.

NET INVESTMENT INCOME (on the consolidated sheet) - Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS - Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

ADJUSTED INCOME (LOSS) including Depreciation and Amortization - Total operating revenues less total operating expenses including depreciation and amortization expense plus net other nonoperating adjustments.

ADJUSTED MARGIN % including Depreciation and Amortization - Percentage of Adjusted Income (Loss) including depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

AVAILABLE UNIVERSITY FUND TRANSFER - Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to UT Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.

INVESTMENT GAINS (LOSSES) - Realized and unrealized gains and losses on investments.

ADJUSTED INCOME (LOSS) excluding Depreciation and Amortization - Total operating revenues less total operating expenses excluding depreciation and amortization expense plus net other nonoperating adjustments.

ADJUSTED MARGIN % excluding Depreciation and Amortization - Percentage of Adjusted Income (Loss) excluding depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

UNAUDITED

The University of Texas System Administration
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Sponsored Programs	3,541,120.65	12,311,770.65	(8,770,650.00)	-71.2%
Net Sales and Services of Educational Activities	13,165,145.67	31,319,426.30	(18,154,280.63)	-58.0%
Other Operating Revenues	43,468,279.20	10,577,173.91	32,891,105.29	311.0%
Total Operating Revenues	60,174,545.52	54,208,370.86	5,966,174.66	11.0%
Operating Expenses				
Salaries and Wages	22,120,271.24	19,580,234.14	2,540,037.10	13.0%
Payroll Related Costs	5,645,433.09	4,844,211.89	801,221.20	16.5%
Professional Fees and Services	7,965,622.65	2,094,545.86	5,871,076.79	280.3%
Other Contracted Services	12,631,600.58	6,190,837.14	6,440,763.44	104.0%
Travel	854,405.22	692,712.10	161,693.12	23.3%
Materials and Supplies	5,190,721.81	8,400,560.42	(3,209,838.61)	-38.2%
Utilities	338,584.82	289,139.12	49,445.70	17.1%
Communications	3,087,038.63	2,945,873.92	141,164.71	4.8%
Repairs and Maintenance	2,460,091.46	6,392,250.89	(3,932,159.43)	-61.5%
Rentals and Leases	526,540.59	488,718.56	37,822.03	7.7%
Printing and Reproduction	153,378.82	115,147.67	38,231.15	33.2%
Claims and Losses	5,572,995.59	7,782,423.28	(2,209,427.69)	-28.4%
Increase in Net OPEB Obligation	290,041,823.75	274,685,210.33	15,356,613.42	5.6%
Scholarships and Fellowships	307,100.00	361,050.00	(53,950.00)	-14.9%
Depreciation and Amortization	4,308,415.72	4,486,879.92	(178,464.20)	-4.0%
State Sponsored Program Pass-Through to Other State Agencies	839,589.98	476,948.88	362,641.10	76.0%
Other Operating Expenses	11,106,896.18	6,948,556.90	4,158,339.28	59.8%
Total Operating Expenses	373,150,510.13	346,775,301.02	26,375,209.11	7.6%
Operating Loss	(312,975,964.61)	(292,566,930.16)	(20,409,034.45)	-7.0%
Other Nonoperating Adjustments				
State Appropriations	910,187.78	842,858.60	67,329.18	8.0%
Nonexchange Sponsored Programs	14,861,940.30	14,869,897.21	(7,956.91)	-0.1%
Gift Contributions for Operations	596,931.74	724,718.62	(127,786.88)	-17.6%
Net Investment Income	236,234,397.32	446,179,506.79	(209,945,109.47)	-47.1%
Interest Expense on Capital Asset Financings	(35,853,989.39)	(36,613,535.00)	759,545.61	2.1%
Net Other Nonoperating Adjustments	216,749,467.75	426,003,446.22	(209,253,978.47)	-49.1%
Adjusted Income (Loss) including Depreciation & Amortization	(96,226,496.86)	133,436,516.06	(229,663,012.92)	-172.1%
Adjusted Margin % including Depreciation & Amortization	-30.8%	25.8%		
Available University Fund Transfer	22,796,040.75	19,031,686.33	3,764,354.42	19.8%
Adjusted Income (Loss) with AUF Transfer	(73,430,456.11)	152,468,202.39	(225,898,658.50)	-148.2%
Adjusted Margin % with AUF Transfer	-21.9%	28.5%		
Investment Gain (Losses)	1,212,459,579.55	279,103,625.06	933,355,954.49	334.4%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$1,139,029,123.44	\$431,571,827.45	\$707,457,295.99	163.9%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	73.6%	53.0%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation & Amortization	(69,122,040.39)	156,955,082.31	(226,077,122.70)	-144.0%
Adjusted Margin % with AUF Transfer excluding Depreciation & Amortization	-20.6%	29.3%		

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The University of Texas at Arlington
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	124,097,762.61	108,126,948.09	15,970,814.52	14.8%
Sponsored Programs	41,653,757.75	42,958,755.11	(1,304,997.36)	-3.0%
Net Sales and Services of Educational Activities	10,533,346.60	10,491,083.60	42,263.00	0.4%
Net Auxiliary Enterprises	21,183,717.67	16,599,407.05	4,584,310.62	27.6%
Other Operating Revenues	3,208,338.97	2,928,816.25	279,522.72	9.5%
Total Operating Revenues	200,676,923.60	181,105,010.10	19,571,913.50	10.8%
Operating Expenses				
Salaries and Wages	134,777,775.92	127,452,809.71	7,324,966.21	5.7%
Payroll Related Costs	32,856,818.80	30,457,957.47	2,398,861.33	7.9%
Cost of Goods Sold	1,598.54	5,862.13	(4,263.59)	-72.7%
Professional Fees and Services	2,806,822.18	2,898,548.73	(91,726.55)	-3.2%
Other Contracted Services	26,104,522.49	24,229,332.52	1,875,189.97	7.7%
Travel	3,863,492.94	3,629,021.44	234,471.50	6.5%
Materials and Supplies	14,910,543.93	14,453,127.64	457,416.29	3.2%
Utilities	5,182,143.16	5,512,514.09	(330,370.93)	-6.0%
Communications	5,182,592.28	4,137,124.95	1,045,467.33	25.3%
Repairs and Maintenance	8,697,985.33	6,147,516.57	2,550,468.76	41.5%
Rentals and Leases	2,535,139.17	2,267,526.95	267,612.22	11.8%
Printing and Reproduction	1,172,704.92	1,238,301.83	(65,596.91)	-5.3%
Bad Debt Expense	268,729.52	70,161.35	198,568.17	283.0%
Scholarships and Fellowships	18,467,164.17	17,123,153.20	1,344,010.97	7.8%
Depreciation and Amortization	21,565,710.40	20,218,098.84	1,347,611.56	6.7%
Federal Sponsored Program Pass-Through to Other State Agencies	1,014,089.68	935,464.30	78,625.38	8.4%
State Sponsored Program Pass-Through to Other State Agencies	34,343.31	-	34,343.31	100.0%
Other Operating Expenses	4,398,024.81	4,689,400.16	(291,375.35)	-6.2%
Total Operating Expenses	283,840,201.55	265,465,921.88	18,374,279.67	6.9%
Operating Loss	(83,163,277.95)	(84,360,911.78)	1,197,633.83	1.4%
Other Nonoperating Adjustments				
State Appropriations	66,732,395.92	66,219,930.58	512,465.34	0.8%
Nonexchange Sponsored Programs	26,250,000.00	24,500,000.00	1,750,000.00	7.1%
Gift Contributions for Operations	2,712,863.99	2,078,297.37	634,566.62	30.5%
Net Investment Income	7,116,037.61	6,571,163.95	544,873.66	8.3%
Interest Expense on Capital Asset Financings	(8,220,024.82)	(6,745,378.36)	(1,474,646.46)	-21.9%
Net Other Nonoperating Adjustments	94,591,272.70	92,624,013.54	1,967,259.16	2.1%
Adjusted Income (Loss) including Depreciation & Amortization	11,427,994.75	8,263,101.76	3,164,892.99	38.3%
Adjusted Margin % including Depreciation & Amortization	3.8%	2.9%		
Investment Gain (Losses)	9,417,887.84	(1,441,450.14)	10,859,337.98	753.4%
Adj. Inc. (Loss) with Investment Gains (Losses)	20,845,882.59	6,821,651.62	14,024,230.97	205.6%
Adj. Margin % with Investment Gains (Losses)	6.7%	2.4%		
Adjusted Income (Loss) excluding Depreciation & Amortization	32,993,705.15	28,481,200.60	4,512,504.55	15.8%
Adjusted Margin % excluding Depreciation & Amortization	10.9%	10.2%		

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The University of Texas at Austin
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	280,291,666.67	282,916,666.67	(2,625,000.00)	-0.9%
Sponsored Programs	315,438,093.92	306,421,846.21	9,016,247.71	2.9%
Net Sales and Services of Educational Activities	220,847,957.64	222,969,824.82	(2,121,867.18)	-1.0%
Net Auxiliary Enterprises	163,811,691.19	163,862,802.01	(51,110.82)	-
Other Operating Revenues	3,113,899.89	4,056,537.48	(942,637.59)	-23.2%
Total Operating Revenues	983,503,309.31	980,227,677.19	3,275,632.12	0.3%
Operating Expenses				
Salaries and Wages	666,715,433.84	642,639,720.53	24,075,713.31	3.7%
Payroll Related Costs	166,516,771.34	159,260,513.25	7,256,258.09	4.6%
Cost of Goods Sold	14,343,448.03	-	14,343,448.03	100.0%
Professional Fees and Services	19,441,407.89	19,904,022.84	(462,614.95)	-2.3%
Other Contracted Services	81,296,823.36	78,818,029.41	2,478,793.95	3.1%
Travel	26,810,529.75	25,999,971.12	810,558.63	3.1%
Materials and Supplies	76,002,255.39	75,110,683.71	891,571.68	1.2%
Utilities	52,231,381.67	52,937,190.60	(705,808.93)	-1.3%
Communications	34,149,968.03	31,881,106.69	2,268,861.34	7.1%
Repairs and Maintenance	29,136,607.31	30,389,783.56	(1,253,176.25)	-4.1%
Rentals and Leases	10,727,016.79	10,196,897.92	530,118.87	5.2%
Printing and Reproduction	4,416,224.41	5,760,539.03	(1,344,314.62)	-23.3%
Bad Debt Expense	(275.12)	660,121.07	(660,396.19)	-100.0%
Claims and Losses	-	60.00	(60.00)	-100.0%
Scholarships and Fellowships	67,666,666.67	70,058,333.33	(2,391,666.66)	-3.4%
Depreciation and Amortization	154,583,333.33	142,405,382.46	12,177,950.87	8.6%
Federal Sponsored Program Pass-Through to Other State Agencies	2,122,868.97	1,772,084.77	350,784.20	19.8%
Other Operating Expenses	53,835,736.83	48,972,441.19	4,863,295.64	9.9%
Total Operating Expenses	1,459,996,198.49	1,396,766,881.48	63,229,317.01	4.5%
Operating Loss	(476,492,889.18)	(416,539,204.29)	(59,953,684.89)	-14.4%
Other Nonoperating Adjustments				
State Appropriations	180,502,922.68	177,291,639.69	3,211,282.99	1.8%
Nonexchange Sponsored Programs	46,639,621.85	38,773,368.62	7,866,253.23	20.3%
Gift Contributions for Operations	72,595,323.26	85,890,411.68	(13,295,088.42)	-15.5%
Net Investment Income	116,502,043.54	111,655,290.67	4,846,752.87	4.3%
Interest Expense on Capital Asset Financings	(28,328,563.83)	(27,174,346.01)	(1,154,217.82)	-4.2%
Net Other Nonoperating Adjustments	387,911,347.50	386,436,364.65	1,474,982.85	0.4%
Adjusted Income (Loss) including Depreciation & Amortization	(88,581,541.68)	(30,102,839.64)	(58,478,702.04)	-194.3%
Adjusted Margin % including Depreciation & Amortization	-6.3%	-2.2%		
Available University Fund Transfer	122,375,750.00	104,743,333.33	17,632,416.67	16.8%
Adjusted Income (Loss) with AUF Transfer	33,794,208.32	74,640,493.69	(40,846,285.37)	-54.7%
Adjusted Margin % with AUF Transfer	2.2%	5.0%		
Investment Gain (Losses)	128,282,420.06	(43,717,724.28)	172,000,144.34	393.4%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$162,076,628.38	\$30,922,769.41	\$131,153,858.97	424.1%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	9.8%	2.1%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation & Amortization	188,377,541.65	217,045,876.15	(28,668,334.50)	-13.2%
Adjusted Margin % with AUF Transfer excluding Depreciation & Amortization	12.4%	14.5%		

UNAUDITED

The University of Texas at Brownsville
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	22,413,624.16	14,355,162.27	8,058,461.89	56.1%
Sponsored Programs	34,147,448.47	46,906,348.23	(12,758,899.76)	-27.2%
Net Sales and Services of Educational Activities	1,771,195.00	1,460,193.91	311,001.09	21.3%
Net Auxiliary Enterprises	1,283,769.94	1,283,261.88	508.06	-
Other Operating Revenues	509.47	6,021.36	(5,511.89)	-91.5%
Total Operating Revenues	59,616,547.04	64,010,987.65	(4,394,440.61)	-6.9%
Operating Expenses				
Salaries and Wages	39,789,734.32	40,564,084.04	(774,349.72)	-1.9%
Payroll Related Costs	11,061,475.98	11,148,413.05	(86,937.07)	-0.8%
Professional Fees and Services	768,543.17	271,704.69	496,838.48	182.9%
Other Contracted Services	526,154.66	696,365.14	(170,210.48)	-24.4%
Travel	628,618.23	687,615.04	(58,996.81)	-8.6%
Materials and Supplies	1,190,956.60	1,894,647.43	(703,690.83)	-37.1%
Utilities	2,133,997.57	2,228,013.31	(94,015.74)	-4.2%
Communications	702,214.20	803,006.15	(100,791.95)	-12.6%
Repairs and Maintenance	1,043,474.99	1,177,975.63	(134,500.64)	-11.4%
Rentals and Leases	1,218,809.20	1,308,217.09	(89,407.89)	-6.8%
Printing and Reproduction	135,569.36	151,199.34	(15,629.98)	-10.3%
Scholarships and Fellowships	42,412,403.52	47,322,203.95	(4,909,800.43)	-10.4%
Depreciation and Amortization	4,717,988.50	4,573,802.16	144,186.34	3.2%
Federal Sponsored Program Pass-Through to Other State Agencies	24,386.14	113,627.90	(89,241.76)	-78.5%
Other Operating Expenses	3,585,562.12	3,341,723.37	243,838.75	7.3%
Total Operating Expenses	109,939,888.56	116,282,598.29	(6,342,709.73)	-5.5%
Operating Loss	(50,323,341.52)	(52,271,610.64)	1,948,269.12	3.7%
Other Nonoperating Adjustments				
State Appropriations	21,510,455.62	21,200,925.08	309,530.54	1.5%
Nonexchange Sponsored Programs	28,823,410.27	34,457,144.14	(5,633,733.87)	-16.3%
Gift Contributions for Operations	341,408.45	327,347.00	14,061.45	4.3%
Net Investment Income	870,176.80	781,929.02	88,247.78	11.3%
Interest Expense on Capital Asset Financings	(1,640,080.33)	(1,465,965.90)	(174,114.43)	-11.9%
Net Other Nonoperating Adjustments	49,905,370.81	55,301,379.34	(5,396,008.53)	-9.8%
Adjusted Income (Loss) including Depreciation & Amortization	(417,970.71)	3,029,768.70	(3,447,739.41)	-113.8%
Adjusted Margin % including Depreciation & Amortization	-0.4%	2.5%		
Investment Gain (Losses)	1,512,170.05	(201,882.61)	1,714,052.66	849.0%
Adj. Inc. (Loss) with Investment Gains (Losses)	1,094,199.34	2,827,886.09	(1,733,686.75)	-61.3%
Adj. Margin % with Investment Gains (Losses)	1.0%	2.3%		
Adjusted Income (Loss) excluding Depreciation & Amortization	4,300,017.79	7,603,570.86	(3,303,553.07)	-43.4%
Adjusted Margin % excluding Depreciation & Amortization	3.9%	6.3%		

UNAUDITED

The University of Texas at Dallas
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	121,234,275.81	112,149,890.65	9,084,385.16	8.1%
Sponsored Programs	30,905,311.96	29,973,918.16	931,393.80	3.1%
Net Sales and Services of Educational Activities	6,321,475.75	3,733,417.37	2,588,058.38	69.3%
Net Auxiliary Enterprises	9,212,508.59	7,892,819.34	1,319,689.25	16.7%
Other Operating Revenues	2,318,999.68	2,206,533.01	112,466.67	5.1%
Total Operating Revenues	169,992,571.79	155,956,578.53	14,035,993.26	9.0%
Operating Expenses				
Salaries and Wages	132,673,304.20	117,538,478.53	15,134,825.67	12.9%
Payroll Related Costs	29,405,528.26	24,682,823.98	4,722,704.28	19.1%
Professional Fees and Services	5,971,664.01	5,838,635.55	133,028.46	2.3%
Other Contracted Services	5,704,264.74	4,710,414.67	993,850.07	21.1%
Travel	3,201,444.73	3,084,398.58	117,046.15	3.8%
Materials and Supplies	12,802,679.42	11,770,015.05	1,032,664.37	8.8%
Utilities	5,049,851.14	4,871,241.49	178,609.65	3.7%
Communications	455,469.88	235,522.55	219,947.33	93.4%
Repairs and Maintenance	2,601,936.88	2,607,656.42	(5,719.54)	-0.2%
Rentals and Leases	1,855,562.80	1,593,175.00	262,387.80	16.5%
Printing and Reproduction	1,041,141.64	942,008.97	99,132.67	10.5%
Scholarships and Fellowships	23,485,177.28	24,456,991.90	(971,814.62)	-4.0%
Depreciation and Amortization	24,091,446.38	21,913,597.63	2,177,848.75	9.9%
Federal Sponsored Program Pass-Through to Other State Agencies	72,669.33	194,022.55	(121,353.22)	-62.5%
Other Operating Expenses	9,040,540.04	8,089,203.33	951,336.71	11.8%
Total Operating Expenses	257,452,680.73	232,528,186.20	24,924,494.53	10.7%
Operating Loss	(87,460,108.94)	(76,571,607.67)	(10,888,501.27)	-14.2%
Other Nonoperating Adjustments				
State Appropriations	58,646,057.59	59,630,444.19	(984,386.60)	-1.7%
Nonexchange Sponsored Programs	22,239,180.08	18,289,950.65	3,949,229.43	21.6%
Gift Contributions for Operations	6,784,392.48	10,984,841.14	(4,200,448.66)	-38.2%
Net Investment Income	9,992,392.34	9,213,791.14	778,601.20	8.5%
Interest Expense on Capital Asset Financings	(7,322,252.35)	(6,372,124.01)	(950,128.34)	-14.9%
Net Other Nonoperating Adjustments	90,339,770.14	91,746,903.11	(1,407,132.97)	-1.5%
Adjusted Income (Loss) including Depreciation & Amortization	2,879,661.20	15,175,295.44	(12,295,634.24)	-81.0%
Adjusted Margin % including Depreciation & Amortization	1.1%	6.0%		
Investment Gain (Losses)	14,709,209.08	(3,423,745.47)	18,132,954.55	529.6%
Adj. Inc. (Loss) with Investment Gains (Losses)	17,588,870.28	11,751,549.97	5,837,320.31	49.7%
Adj. Margin % with Investment Gains (Losses)	6.2%	4.7%		
Adjusted Income (Loss) excluding Depreciation & Amortization	26,971,107.58	37,088,893.07	(10,117,785.49)	-27.3%
Adjusted Margin % excluding Depreciation & Amortization	10.1%	14.6%		

UNAUDITED

The University of Texas at El Paso
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	64,385,073.08	65,449,545.00	(1,064,471.92)	-1.6%
Sponsored Programs	46,310,707.69	43,461,758.62	2,848,949.07	6.6%
Net Sales and Services of Educational Activities	3,410,239.14	2,539,245.91	870,993.23	34.3%
Net Auxiliary Enterprises	17,617,311.82	15,994,058.42	1,623,253.40	10.1%
Other Operating Revenues	72,267.28	66,480.78	5,786.50	8.7%
Total Operating Revenues	131,795,599.01	127,511,088.73	4,284,510.28	3.4%
Operating Expenses				
Salaries and Wages	96,297,639.94	91,348,939.44	4,948,700.50	5.4%
Payroll Related Costs	24,204,541.09	23,113,182.84	1,091,358.25	4.7%
Professional Fees and Services	1,476,993.85	802,114.67	674,879.18	84.1%
Other Contracted Services	12,912,483.66	11,766,601.98	1,145,881.68	9.7%
Travel	4,604,202.60	4,402,070.61	202,131.99	4.6%
Materials and Supplies	12,596,111.98	13,458,008.85	(861,896.87)	-6.4%
Utilities	3,895,753.84	3,976,757.50	(81,003.66)	-2.0%
Communications	371,503.02	367,381.83	4,121.19	1.1%
Repairs and Maintenance	3,039,230.34	2,303,340.96	735,889.38	31.9%
Rentals and Leases	2,406,171.41	2,102,531.48	303,639.93	14.4%
Printing and Reproduction	824,742.76	544,167.40	280,575.36	51.6%
Scholarships and Fellowships	56,558,042.48	62,448,964.42	(5,890,921.94)	-9.4%
Depreciation and Amortization	15,353,994.36	14,360,833.88	993,160.48	6.9%
Federal Sponsored Program Pass-Through to Other State Agencies	756,906.43	864,413.95	(107,507.52)	-12.4%
Other Operating Expenses	3,918,778.68	3,747,399.24	171,379.44	4.6%
Total Operating Expenses	239,217,096.44	235,606,709.05	3,610,387.39	1.5%
Operating Loss	(107,421,497.43)	(108,095,620.32)	674,122.89	0.6%
Other Nonoperating Adjustments				
State Appropriations	55,038,662.00	51,787,085.00	3,251,577.00	6.3%
Nonexchange Sponsored Programs	45,664,482.79	47,894,920.40	(2,230,437.61)	-4.7%
Gift Contributions for Operations	4,490,978.20	9,479,525.12	(4,988,546.92)	-52.6%
Net Investment Income	7,450,245.82	6,972,809.63	477,436.19	6.8%
Interest Expense on Capital Asset Financings	(4,984,517.09)	(4,362,841.35)	(621,675.74)	-14.2%
Net Other Nonoperating Adjustments	107,659,851.72	111,771,498.80	(4,111,647.08)	-3.7%
Adjusted Income (Loss) including Depreciation & Amortization	238,354.29	3,675,878.48	(3,437,524.19)	-93.5%
Adjusted Margin % including Depreciation & Amortization	0.1%	1.5%		
Investment Gain (Losses)	9,369,575.63	(2,053,241.34)	11,422,816.97	556.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	9,607,929.92	1,622,637.14	7,985,292.78	492.1%
Adj. Margin % with Investment Gains (Losses)	3.8%	0.7%		
Adjusted Income (Loss) excluding Depreciation & Amortization	15,592,348.65	18,036,712.36	(2,444,363.71)	-13.6%
Adjusted Margin % excluding Depreciation & Amortization	6.4%	7.4%		

UNAUDITED

The University of Texas-Pan American
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	40,168,202.66	32,978,388.17	7,189,814.49	21.8%
Sponsored Programs	37,670,609.84	37,502,479.04	168,130.80	0.4%
Net Sales and Services of Educational Activities	3,660,404.88	3,557,340.26	103,064.62	2.9%
Net Auxiliary Enterprises	4,811,212.35	5,602,878.67	(791,666.32)	-14.1%
Other Operating Revenues	1,395,323.92	772,913.34	622,410.58	80.5%
Total Operating Revenues	87,705,753.65	80,413,999.48	7,291,754.17	9.1%
Operating Expenses				
Salaries and Wages	63,248,807.67	61,468,717.98	1,780,089.69	2.9%
Payroll Related Costs	16,860,173.50	17,044,906.06	(184,732.56)	-1.1%
Cost of Goods Sold	192,539.76	333,193.47	(140,653.71)	-42.2%
Professional Fees and Services	1,054,576.69	881,121.39	173,455.30	19.7%
Other Contracted Services	1,524,792.15	2,832,047.66	(1,307,255.51)	-46.2%
Travel	2,163,192.01	2,093,823.82	69,368.19	3.3%
Materials and Supplies	7,277,704.87	7,374,241.82	(96,536.95)	-1.3%
Utilities	3,098,876.50	2,992,973.67	105,902.83	3.5%
Communications	631,220.31	568,082.44	63,137.87	11.1%
Repairs and Maintenance	1,963,213.40	1,918,258.81	44,954.59	2.3%
Rentals and Leases	478,094.68	543,825.63	(65,730.95)	-12.1%
Printing and Reproduction	314,520.06	163,045.99	151,474.07	92.9%
Bad Debt Expense	55,688.69	53,047.12	2,641.57	5.0%
Scholarships and Fellowships	55,282,031.18	54,255,336.38	1,026,694.80	1.9%
Depreciation and Amortization	8,783,440.30	8,217,048.39	566,391.91	6.9%
Federal Sponsored Program Pass-Through to Other State Agencies	74,970.99	119,495.54	(44,524.55)	-37.3%
Other Operating Expenses	5,899,165.22	1,739,043.94	4,160,121.28	239.2%
Total Operating Expenses	168,903,007.98	162,598,210.11	6,304,797.87	3.9%
Operating Loss	(81,197,254.33)	(82,184,210.63)	986,956.30	1.2%
Other Nonoperating Adjustments				
State Appropriations	42,628,773.09	41,180,041.58	1,448,731.51	3.5%
Nonexchange Sponsored Programs	43,877,238.34	46,235,742.77	(2,358,504.43)	-5.1%
Gift Contributions for Operations	1,705,350.48	2,336,426.47	(631,075.99)	-27.0%
Net Investment Income	2,822,261.05	2,333,358.54	488,902.51	21.0%
Interest Expense on Capital Asset Financings	(2,429,314.58)	(2,205,530.11)	(223,784.47)	-10.1%
Net Other Nonoperating Adjustments	88,604,308.38	89,880,039.25	(1,275,730.87)	-1.4%
Adjusted Income (Loss) including Depreciation & Amortization	7,407,054.05	7,695,828.62	(288,774.57)	-3.8%
Adjusted Margin % including Depreciation & Amortization	4.1%	4.5%		
Investment Gain (Losses)	3,215,965.61	(187,620.04)	3,403,585.65	1,814.1%
Adj. Inc. (Loss) with Investment Gains (Losses)	10,623,019.66	7,508,208.58	3,114,811.08	41.5%
Adj. Margin % with Investment Gains (Losses)	5.8%	4.4%		
Adjusted Income (Loss) excluding Depreciation & Amortization	16,190,494.35	15,912,877.01	277,617.34	1.7%
Adjusted Margin % excluding Depreciation & Amortization	9.1%	9.2%		

UNAUDITED

The University of Texas of the Permian Basin
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	7,806,875.69	10,184,883.47	(2,378,007.78)	-23.3%
Sponsored Programs	3,352,482.20	922,162.40	2,430,319.80	263.5%
Net Sales and Services of Educational Activities	234,541.09	23,894.38	210,646.71	881.6%
Net Auxiliary Enterprises	3,731,075.81	3,332,647.00	398,428.81	12.0%
Other Operating Revenues	293,618.21	1,156,961.20	(863,342.99)	-74.6%
Total Operating Revenues	15,418,593.00	15,620,548.45	(201,955.45)	-1.3%
Operating Expenses				
Salaries and Wages	12,413,120.84	10,261,129.86	2,151,990.98	21.0%
Payroll Related Costs	3,365,531.62	2,535,275.76	830,255.86	32.7%
Professional Fees and Services	759,086.58	431,807.17	327,279.41	75.8%
Other Contracted Services	1,894,070.33	2,421,587.50	(527,517.17)	-21.8%
Travel	685,567.96	620,781.18	64,786.78	10.4%
Materials and Supplies	1,715,365.48	1,610,009.59	105,355.89	6.5%
Utilities	1,158,028.37	1,450,127.02	(292,098.65)	-20.1%
Communications	386,365.35	354,212.75	32,152.60	9.1%
Repairs and Maintenance	412,230.12	419,383.47	(7,153.35)	-1.7%
Rentals and Leases	144,923.62	174,592.17	(29,668.55)	-17.0%
Printing and Reproduction	94,478.21	35,539.57	58,938.64	165.8%
Bad Debt Expense	-	45,753.27	(45,753.27)	-100.0%
Scholarships and Fellowships	2,747,149.64	383,083.72	2,364,065.92	617.1%
Depreciation and Amortization	6,825,000.00	6,745,120.93	79,879.07	1.2%
Other Operating Expenses	431,369.13	601,881.94	(170,512.81)	-28.3%
Total Operating Expenses	33,032,287.25	28,090,285.90	4,942,001.35	17.6%
Operating Loss	(17,613,694.25)	(12,469,737.45)	(5,143,956.80)	-41.3%
Other Nonoperating Adjustments				
State Appropriations	16,200,419.67	17,738,102.08	(1,537,682.41)	-8.7%
Nonexchange Sponsored Programs	3,217,540.58	3,473,527.74	(255,987.16)	-7.4%
Gift Contributions for Operations	699,075.21	1,212,943.02	(513,867.81)	-42.4%
Net Investment Income	1,288,931.82	893,135.92	395,795.90	44.3%
Interest Expense on Capital Asset Financings	(3,077,153.17)	(3,087,479.15)	10,325.98	0.3%
Net Other Nonoperating Adjustments	18,328,814.11	20,230,229.61	(1,901,415.50)	-9.4%
Adjusted Income (Loss) including Depreciation & Amortization	715,119.86	7,760,492.16	(7,045,372.30)	-90.8%
Adjusted Margin % including Depreciation & Amortization	1.9%	19.9%		
Investment Gain (Losses)	1,174,840.81	(291,910.36)	1,466,751.17	502.5%
Adj. Inc. (Loss) with Investment Gains (Losses)	1,889,960.67	7,468,581.80	(5,578,621.13)	-74.7%
Adj. Margin % with Investment Gains (Losses)	5.0%	19.3%		
Adjusted Income (Loss) excluding Depreciation & Amortization	7,540,119.86	14,505,613.09	(6,965,493.23)	-48.0%
Adjusted Margin % excluding Depreciation & Amortization	20.5%	37.3%		

UNAUDITED

The University of Texas at San Antonio
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	121,929,858.78	117,911,789.86	4,018,068.92	3.4%
Sponsored Programs	42,834,724.47	45,792,348.58	(2,957,624.11)	-6.5%
Net Sales and Services of Educational Activities	6,364,190.66	6,136,792.13	227,398.53	3.7%
Net Auxiliary Enterprises	19,692,354.96	18,311,696.92	1,380,658.04	7.5%
Other Operating Revenues	3,061,442.57	1,524,851.62	1,536,590.95	100.8%
Total Operating Revenues	193,882,571.44	189,677,479.11	4,205,092.33	2.2%
Operating Expenses				
Salaries and Wages	131,477,253.73	126,438,025.26	5,039,228.47	4.0%
Payroll Related Costs	33,341,673.24	34,101,315.50	(759,642.26)	-2.2%
Cost of Goods Sold	379,166.67	466,666.67	(87,500.00)	-18.7%
Professional Fees and Services	3,234,921.63	3,728,207.76	(493,286.13)	-13.2%
Other Contracted Services	7,373,244.00	8,655,580.26	(1,282,336.26)	-14.8%
Travel	6,328,183.71	6,107,743.52	220,440.19	3.6%
Materials and Supplies	16,894,562.40	18,055,646.34	(1,161,083.94)	-6.4%
Utilities	7,177,916.67	6,767,527.67	410,389.00	6.1%
Communications	1,756,892.63	2,135,313.34	(378,420.71)	-17.7%
Repairs and Maintenance	5,968,200.30	4,608,008.10	1,360,192.20	29.5%
Rentals and Leases	2,427,669.61	2,909,841.04	(482,171.43)	-16.6%
Printing and Reproduction	667,229.75	684,426.47	(17,196.72)	-2.5%
Bad Debt Expense	56,793.64	392,787.16	(335,993.52)	-85.5%
Scholarships and Fellowships	45,333,590.03	31,592,949.69	13,740,640.34	43.5%
Depreciation and Amortization	24,865,983.00	23,812,702.55	1,053,280.45	4.4%
Federal Sponsored Program Pass-Through to Other State Agencies	2,000,427.72	1,567,144.08	433,283.64	27.6%
Other Operating Expenses	7,211,657.87	7,709,224.37	(497,566.50)	-6.5%
Total Operating Expenses	296,495,366.60	279,733,109.78	16,762,256.82	6.0%
Operating Loss	(102,612,795.16)	(90,055,630.67)	(12,557,164.49)	-13.9%
Other Nonoperating Adjustments				
State Appropriations	65,403,765.59	65,023,614.43	380,151.16	0.6%
Nonexchange Sponsored Programs	41,269,572.17	32,482,339.03	8,787,233.14	27.1%
Gift Contributions for Operations	4,083,333.33	3,612,685.39	470,647.94	13.0%
Net Investment Income	9,223,079.96	7,300,994.39	1,922,085.57	26.3%
Interest Expense on Capital Asset Financings	(9,586,962.07)	(8,966,148.24)	(620,813.83)	-6.9%
Net Other Nonoperating Adjustments	110,392,788.98	99,453,485.00	10,939,303.98	11.0%
Adjusted Income (Loss) including Depreciation & Amortization	7,779,993.82	9,397,854.33	(1,617,860.51)	-17.2%
Adjusted Margin % including Depreciation & Amortization	2.5%	3.2%		
Investment Gain (Losses)	13,260,154.97	10,489,134.70	2,771,020.27	26.4%
Adj. Inc. (Loss) with Investment Gains (Losses)	21,040,148.79	19,886,989.03	1,153,159.76	5.8%
Adj. Margin % with Investment Gains (Losses)	6.4%	6.4%		
Adjusted Income (Loss) excluding Depreciation & Amortization	32,645,976.82	33,210,556.88	(564,580.06)	-1.7%
Adjusted Margin % excluding Depreciation & Amortization	10.4%	11.1%		

UNAUDITED

The University of Texas at Tyler
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	17,092,103.00	15,017,055.67	2,075,047.33	13.8%
Sponsored Programs	7,609,459.09	7,636,550.01	(27,090.92)	-0.4%
Net Sales and Services of Educational Activities	2,583,426.47	1,866,823.09	716,603.38	38.4%
Net Auxiliary Enterprises	2,513,312.89	3,996,379.92	(1,483,067.03)	-37.1%
Other Operating Revenues	516,095.27	224,770.01	291,325.26	129.6%
Total Operating Revenues	30,314,396.72	28,741,578.70	1,572,818.02	5.5%
Operating Expenses				
Salaries and Wages	27,296,892.89	24,045,736.88	3,251,156.01	13.5%
Payroll Related Costs	7,461,254.13	6,550,330.52	910,923.61	13.9%
Cost of Goods Sold	12,600.22	17,362.18	(4,761.96)	-27.4%
Professional Fees and Services	881,950.71	775,374.89	106,575.82	13.7%
Other Contracted Services	3,236,886.26	3,004,984.45	231,901.81	7.7%
Travel	1,031,706.28	971,471.09	60,235.19	6.2%
Materials and Supplies	3,260,150.03	1,918,333.35	1,341,816.68	69.9%
Utilities	835,536.76	922,252.98	(86,716.22)	-9.4%
Communications	884,739.52	525,713.10	359,026.42	68.3%
Repairs and Maintenance	1,110,684.87	799,722.85	310,962.02	38.9%
Rentals and Leases	152,615.20	201,510.86	(48,895.66)	-24.3%
Printing and Reproduction	332,660.74	425,300.44	(92,639.70)	-21.8%
Scholarships and Fellowships	3,144,976.72	3,301,692.28	(156,715.56)	-4.7%
Depreciation and Amortization	6,487,765.51	6,608,770.87	(121,005.36)	-1.8%
Other Operating Expenses	1,102,850.57	1,307,765.97	(204,915.40)	-15.7%
Total Operating Expenses	57,233,270.41	51,376,322.71	5,856,947.70	11.4%
Operating Loss	(26,918,873.69)	(22,634,744.01)	(4,284,129.68)	-18.9%
Other Nonoperating Adjustments				
State Appropriations	18,412,565.10	18,446,874.37	(34,309.27)	-0.2%
Nonexchange Sponsored Programs	8,351,926.00	8,492,550.01	(140,624.01)	-1.7%
Gift Contributions for Operations	784,067.49	472,933.95	311,133.54	65.8%
Net Investment Income	2,869,963.65	2,777,029.72	92,933.93	3.3%
Interest Expense on Capital Asset Financings	(2,164,832.67)	(2,290,738.80)	125,906.13	5.5%
Net Other Nonoperating Adjustments	28,253,689.57	27,898,649.25	355,040.32	1.3%
Adjusted Income (Loss) including Depreciation & Amortization	1,334,815.88	5,263,905.24	(3,929,089.36)	-74.6%
Adjusted Margin % including Depreciation & Amortization	2.2%	8.9%		
Investment Gain (Losses)	3,847,376.17	(1,145,341.58)	4,992,717.75	435.9%
Adj. Inc. (Loss) with Investment Gains (Losses)	5,182,192.05	4,118,563.66	1,063,628.39	25.8%
Adj. Margin % with Investment Gains (Losses)	8.0%	7.1%		
Adjusted Income (Loss) excluding Depreciation & Amortization	7,822,581.39	11,872,676.11	(4,050,094.72)	-34.1%
Adjusted Margin % excluding Depreciation & Amortization	12.9%	20.1%		

UNAUDITED

The University of Texas Southwestern Medical Center
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	10,272,669.02	9,839,000.37	433,668.65	4.4%
Sponsored Programs	273,854,632.10	277,842,521.69	(3,987,889.59)	-1.4%
Net Sales and Services of Educational Activities	6,652,313.60	7,021,839.69	(369,526.09)	-5.3%
Net Sales and Services of Hospitals	420,532,333.92	383,717,050.83	36,815,283.09	9.6%
Net Professional Fees	243,320,152.86	233,213,929.93	10,106,222.93	4.3%
Net Auxiliary Enterprises	10,363,472.26	10,325,434.47	38,037.79	0.4%
Other Operating Revenues	17,411,127.00	11,874,440.82	5,536,686.18	46.6%
Total Operating Revenues	982,406,700.76	933,834,217.80	48,572,482.96	5.2%
Operating Expenses				
Salaries and Wages	579,595,629.99	558,012,051.25	21,583,578.74	3.9%
Payroll Related Costs	130,566,243.74	117,043,395.73	13,522,848.01	11.6%
Cost of Goods Sold	1,570,751.88	1,350,095.93	220,655.95	16.3%
Professional Fees and Services	19,343,276.76	20,081,634.68	(738,357.92)	-3.7%
Other Contracted Services	57,981,859.97	57,395,487.93	586,372.04	1.0%
Travel	5,276,291.59	5,152,417.13	123,874.46	2.4%
Materials and Supplies	158,673,631.82	143,989,777.34	14,683,854.48	10.2%
Utilities	14,414,919.90	17,973,935.08	(3,559,015.18)	-19.8%
Communications	6,468,567.81	2,696,078.24	3,772,489.57	139.9%
Repairs and Maintenance	3,858,131.53	6,951,290.27	(3,093,158.74)	-44.5%
Rentals and Leases	2,724,626.68	3,572,604.86	(847,978.18)	-23.7%
Printing and Reproduction	1,718,384.85	413,957.89	1,304,426.96	315.1%
Scholarships and Fellowships	423,320.33	421,874.83	1,445.50	0.3%
Depreciation and Amortization	62,875,317.99	58,856,394.39	4,018,923.60	6.8%
Federal Sponsored Program Pass-Through to Other State Agencies	1,246,589.75	459,395.31	787,194.44	171.4%
Other Operating Expenses	23,019,086.70	21,947,742.69	1,071,344.01	4.9%
Total Operating Expenses	1,069,756,631.29	1,016,318,133.55	53,438,497.74	5.3%
Operating Loss	(87,349,930.53)	(82,483,915.75)	(4,866,014.78)	-5.9%
Other Nonoperating Adjustments				
State Appropriations	89,047,231.63	91,851,080.58	(2,803,848.95)	-3.1%
Nonexchange Sponsored Programs	10,700.00	26,405.00	(15,705.00)	-59.5%
Gift Contributions for Operations	14,406,360.65	11,679,611.63	2,726,749.02	23.3%
Net Investment Income	55,926,292.76	46,566,037.84	9,360,254.92	20.1%
Interest Expense on Capital Asset Financings	(20,123,804.82)	(21,055,612.27)	931,807.45	4.4%
Net Other Nonoperating Adjustments	139,266,780.22	129,067,522.78	10,199,257.44	7.9%
Adjusted Income (Loss) including Depreciation & Amortization	51,916,849.69	46,583,607.03	5,333,242.66	11.4%
Adjusted Margin % including Depreciation & Amortization	4.5%	4.3%		
Investment Gain (Losses)	56,481,136.73	(15,291,448.51)	71,772,585.24	469.4%
Adj. Inc. (Loss) with Investment Gains (Losses)	108,397,986.42	31,292,158.52	77,105,827.90	246.4%
Adj. Margin % with Investment Gains (Losses)	9.0%	2.9%		
Adjusted Income (Loss) excluding Depreciation & Amortization	114,792,167.68	105,440,001.42	9,352,166.26	8.9%
Adjusted Margin % excluding Depreciation & Amortization	10.1%	9.7%		

UNAUDITED

The University of Texas Medical Branch at Galveston
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	19,103,452.40	18,875,889.31	227,563.09	1.2%
Sponsored Programs	116,773,766.56	133,671,963.86	(16,898,197.30)	-12.6%
Net Sales and Services of Educational Activities	11,717,438.38	8,667,535.89	3,049,902.49	35.2%
Net Sales and Services of Hospitals	465,134,188.40	435,339,406.34	29,794,782.06	6.8%
Net Professional Fees	78,901,749.65	77,268,341.44	1,633,408.21	2.1%
Net Auxiliary Enterprises	3,649,967.76	3,871,906.62	(221,938.86)	-5.7%
Other Operating Revenues	13,789,498.97	6,612,430.43	7,177,068.54	108.5%
Total Operating Revenues	709,070,062.12	684,307,473.89	24,762,588.23	3.6%
Operating Expenses				
Salaries and Wages	467,913,130.09	457,878,978.45	10,034,151.64	2.2%
Payroll Related Costs	125,107,178.95	118,386,228.64	6,720,950.31	5.7%
Cost of Goods Sold	36,363,044.31	37,834,752.61	(1,471,708.30)	-3.9%
Professional Fees and Services	20,589,315.69	21,454,249.68	(864,933.99)	-4.0%
Other Contracted Services	53,865,724.87	42,418,177.72	11,447,547.15	27.0%
Travel	3,473,081.71	3,423,163.58	49,918.13	1.5%
Materials and Supplies	74,629,618.80	70,494,768.43	4,134,850.37	5.9%
Utilities	24,483,254.40	18,055,847.56	6,427,406.84	35.6%
Communications	4,992,240.10	7,547,387.12	(2,555,147.02)	-33.9%
Repairs and Maintenance	24,151,352.44	21,867,857.31	2,283,495.13	10.4%
Rentals and Leases	13,925,483.29	13,688,210.71	237,272.58	1.7%
Printing and Reproduction	752,377.86	752,473.95	(96.09)	-
Scholarships and Fellowships	5,042,971.14	4,663,246.66	379,724.48	8.1%
Depreciation and Amortization	55,168,881.94	49,611,484.34	5,557,397.60	11.2%
Federal Sponsored Program Pass-Through to Other State Agencies	1,874,123.20	1,595,497.78	278,625.42	17.5%
Other Operating Expenses	22,821,855.87	19,198,371.78	3,623,484.09	18.9%
Total Operating Expenses	935,153,634.66	888,870,696.32	46,282,938.34	5.2%
Operating Loss	(226,083,572.54)	(204,563,222.43)	(21,520,350.11)	-10.5%
Other Nonoperating Adjustments				
State Appropriations	203,818,933.87	181,740,638.69	22,078,295.18	12.1%
Nonexchange Sponsored Programs	319,576.00	401,375.25	(81,799.25)	-20.4%
Gift Contributions for Operations	3,120,186.45	5,092,807.72	(1,972,621.27)	-38.7%
Net Investment Income	19,305,653.44	17,892,446.16	1,413,207.28	7.9%
Interest Expense on Capital Asset Financings	(4,469,319.49)	(4,542,969.79)	73,650.30	1.6%
Net Other Nonoperating Adjustments	222,095,030.27	200,584,298.03	21,510,732.24	10.7%
Adjusted Income (Loss) including Depreciation & Amortization	(3,988,542.27)	(3,978,924.40)	(9,617.87)	-0.2%
Adjusted Margin % including Depreciation & Amortization	-0.4%	-0.4%		
Investment Gain (Losses)	22,440,515.17	(5,372,204.31)	27,812,719.48	517.7%
Adj. Inc. (Loss) with Investment Gains (Losses)	18,451,972.90	(9,351,128.71)	27,803,101.61	297.3%
Adj. Margin % with Investment Gains (Losses)	1.9%	-1.1%		
Adjusted Income (Loss) excluding Depreciation & Amortization	51,180,339.67	45,632,559.94	5,547,779.73	12.2%
Adjusted Margin % excluding Depreciation & Amortization	5.5%	5.1%		

UNAUDITED

The University of Texas Health Science Center at Houston
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	24,318,970.05	24,354,908.51	(35,938.46)	-0.1%
Sponsored Programs	284,312,253.41	261,483,738.21	22,828,515.20	8.7%
Net Sales and Services of Educational Activities	13,105,067.95	15,118,843.52	(2,013,775.57)	-13.3%
Net Sales and Services of Hospitals	36,709,679.47	39,857,633.66	(3,147,954.19)	-7.9%
Net Professional Fees	106,946,430.98	91,263,929.02	15,682,501.96	17.2%
Net Auxiliary Enterprises	13,997,958.99	13,127,754.64	870,204.35	6.6%
Other Operating Revenues	7,474,465.31	9,356,902.78	(1,882,437.47)	-20.1%
Total Operating Revenues	486,864,826.16	454,563,710.34	32,301,115.82	7.1%
Operating Expenses				
Salaries and Wages	356,296,287.74	318,806,087.24	37,490,200.50	11.8%
Payroll Related Costs	77,745,473.74	70,192,309.07	7,553,164.67	10.8%
Cost of Goods Sold	8,897,413.47	15,366,908.32	(6,469,494.85)	-42.1%
Professional Fees and Services	24,932,684.00	23,634,196.81	1,298,487.19	5.5%
Other Contracted Services	28,987,337.29	28,159,569.69	827,767.60	2.9%
Travel	4,572,449.35	3,991,694.30	580,755.05	14.5%
Materials and Supplies	31,633,571.68	26,213,781.27	5,419,790.41	20.7%
Utilities	9,368,391.64	10,227,084.91	(858,693.27)	-8.4%
Communications	2,491,577.76	2,095,626.46	395,951.30	18.9%
Repairs and Maintenance	4,661,020.95	4,171,703.07	489,317.88	11.7%
Rentals and Leases	12,338,440.37	11,943,856.79	394,583.58	3.3%
Printing and Reproduction	2,744,490.66	2,735,969.38	8,521.28	0.3%
Bad Debt Expense	-	3,506.66	(3,506.66)	-100.0%
Scholarships and Fellowships	3,806,355.90	3,216,844.69	589,511.21	18.3%
Depreciation and Amortization	32,883,230.28	30,168,717.44	2,714,512.84	9.0%
Federal Sponsored Program Pass-Through to Other State Agencies	2,010,317.86	4,404,482.25	(2,394,164.39)	-54.4%
Other Operating Expenses	16,920,532.57	16,843,173.32	77,359.25	0.5%
Total Operating Expenses	620,289,575.26	572,175,511.67	48,114,063.59	8.4%
Operating Loss	(133,424,749.10)	(117,611,801.33)	(15,812,947.77)	-13.4%
Other Nonoperating Adjustments				
State Appropriations	102,893,672.21	102,077,263.76	816,408.45	0.8%
Nonexchange Sponsored Programs	339,026.72	330,973.14	8,053.58	2.4%
Gift Contributions for Operations	11,536,605.38	13,369,580.14	(1,832,974.76)	-13.7%
Net Investment Income	16,884,799.58	15,532,929.17	1,351,870.41	8.7%
Interest Expense on Capital Asset Financings	(6,975,154.34)	(6,122,729.20)	(852,425.14)	-13.9%
Net Other Nonoperating Adjustments	124,678,949.55	125,188,017.01	(509,067.46)	-0.4%
Adjusted Income (Loss) including Depreciation & Amortization	(8,745,799.55)	7,576,215.68	(16,322,015.23)	-215.4%
Adjusted Margin % including Depreciation & Amortization	-1.4%	1.3%		
Investment Gain (Losses)	21,194,405.98	(2,271,071.36)	23,465,477.34	1,033.2%
Adj. Inc. (Loss) with Investment Gains (Losses)	12,448,606.43	5,305,144.32	7,143,462.11	134.7%
Adj. Margin % with Investment Gains (Losses)	1.9%	0.9%		
Adjusted Income (Loss) excluding Depreciation & Amortization	24,137,430.73	37,744,933.12	(13,607,502.39)	-36.1%
Adjusted Margin % excluding Depreciation & Amortization	3.9%	6.4%		

UNAUDITED

The University of Texas Health Science Center at San Antonio
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	19,413,230.08	19,218,213.00	195,017.08	1.0%
Sponsored Programs	165,483,528.41	167,489,466.59	(2,005,938.18)	-1.2%
Net Sales and Services of Educational Activities	12,494,324.14	12,171,481.81	322,842.33	2.7%
Net Professional Fees	87,405,836.38	88,038,243.93	(632,407.55)	-0.7%
Net Auxiliary Enterprises	3,159,431.70	3,520,239.39	(360,807.69)	-10.2%
Other Operating Revenues	5,074,223.30	6,093,895.53	(1,019,672.23)	-16.7%
Total Operating Revenues	293,030,574.01	296,531,540.25	(3,500,966.24)	-1.2%
Operating Expenses				
Salaries and Wages	235,026,297.89	226,889,691.87	8,136,606.02	3.6%
Payroll Related Costs	60,877,234.47	60,595,195.54	282,038.93	0.5%
Professional Fees and Services	9,965,861.54	9,764,911.08	200,950.46	2.1%
Other Contracted Services	11,245,708.71	10,006,741.54	1,238,967.17	12.4%
Travel	2,821,113.66	2,947,418.13	(126,304.47)	-4.3%
Materials and Supplies	23,185,541.73	26,242,692.66	(3,057,150.93)	-11.6%
Utilities	9,866,656.33	11,103,824.67	(1,237,168.34)	-11.1%
Communications	7,169,492.91	7,161,651.82	7,841.09	0.1%
Repairs and Maintenance	2,817,201.80	2,568,067.71	249,134.09	9.7%
Rentals and Leases	3,152,403.61	3,370,649.90	(218,246.29)	-6.5%
Printing and Reproduction	1,236,692.27	1,295,119.47	(58,427.20)	-4.5%
Scholarships and Fellowships	4,277,969.53	3,498,481.22	779,488.31	22.3%
Depreciation and Amortization	28,583,333.33	26,833,333.33	1,750,000.00	6.5%
Federal Sponsored Program Pass-Through to Other State Agencies	1,035,416.67	1,020,833.33	14,583.34	1.4%
Other Operating Expenses	20,549,120.79	21,703,304.34	(1,154,183.55)	-5.3%
Total Operating Expenses	421,810,045.24	415,001,916.61	6,808,128.63	1.6%
Operating Loss	(128,779,471.23)	(118,470,376.36)	(10,309,094.87)	-8.7%
Other Nonoperating Adjustments				
State Appropriations	95,810,269.33	94,098,662.00	1,711,607.33	1.8%
Nonexchange Sponsored Programs	962,500.00	729,166.67	233,333.33	32.0%
Gift Contributions for Operations	9,388,803.07	9,880,208.69	(491,405.62)	-5.0%
Net Investment Income	19,205,133.90	18,948,661.07	256,472.83	1.4%
Interest Expense on Capital Asset Financings	(5,747,457.38)	(6,046,049.52)	298,592.14	4.9%
Net Other Nonoperating Adjustments	119,619,248.92	117,610,648.91	2,008,600.01	1.7%
Adjusted Income (Loss) including Depreciation & Amortization	(9,160,222.31)	(859,727.45)	(8,300,494.86)	-965.5%
Adjusted Margin % including Depreciation & Amortization	-2.2%	-0.2%		
Investment Gain (Losses)	25,099,309.18	(6,688,479.25)	31,787,788.43	475.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	15,939,086.87	(7,548,206.70)	23,487,293.57	311.2%
Adj. Margin % with Investment Gains (Losses)	3.6%	-1.8%		
Adjusted Income (Loss) excluding Depreciation & Amortization	19,423,111.02	25,973,605.88	(6,550,494.86)	-25.2%
Adjusted Margin % excluding Depreciation & Amortization	4.6%	6.2%		

UNAUDITED

The University of Texas M. D. Anderson Cancer Center
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	993,328.26	982,535.14	10,793.12	1.1%
Sponsored Programs	196,875,709.59	199,323,989.79	(2,448,280.20)	-1.2%
Net Sales and Services of Educational Activities	1,639,190.66	1,499,230.50	139,960.16	9.3%
Net Sales and Services of Hospitals	1,556,623,042.98	1,497,871,889.44	58,751,153.54	3.9%
Net Professional Fees	211,952,595.13	205,424,031.67	6,528,563.46	3.2%
Net Auxiliary Enterprises	21,707,894.64	21,097,060.20	610,834.44	2.9%
Other Operating Revenues	45,153,852.48	35,346,833.32	9,807,019.16	27.7%
Total Operating Revenues	2,034,945,613.74	1,961,545,570.06	73,400,043.68	3.7%
Operating Expenses				
Salaries and Wages	934,562,804.99	875,760,532.05	58,802,272.94	6.7%
Payroll Related Costs	266,645,790.57	242,294,478.57	24,351,312.00	10.1%
Cost of Goods Sold	2,760,403.11	3,451,198.29	(690,795.18)	-20.0%
Professional Fees and Services	88,082,481.54	75,513,272.78	12,569,208.76	16.6%
Other Contracted Services	48,638,809.60	39,263,695.92	9,375,113.68	23.9%
Travel	9,938,955.19	9,015,620.08	923,335.11	10.2%
Materials and Supplies	399,237,409.72	364,350,805.98	34,886,603.74	9.6%
Utilities	28,282,286.77	30,115,603.88	(1,833,317.11)	-6.1%
Communications	6,176,919.54	5,741,163.04	435,756.50	7.6%
Repairs and Maintenance	49,831,590.11	46,717,390.71	3,114,199.40	6.7%
Rentals and Leases	27,111,112.00	24,384,096.03	2,727,015.97	11.2%
Printing and Reproduction	2,236,146.51	-	2,236,146.51	100.0%
Scholarships and Fellowships	941,062.72	2,540,343.00	(1,599,280.28)	-63.0%
Depreciation and Amortization	163,857,923.62	152,506,864.70	11,351,058.92	7.4%
Federal Sponsored Program Pass-Through to Other State Agencies	307,583.62	976,936.47	(669,352.85)	-68.5%
Other Operating Expenses	18,525,850.56	16,003,691.58	2,522,158.98	15.8%
Total Operating Expenses	2,047,137,130.17	1,888,635,693.08	158,501,437.09	8.4%
Operating Loss	(12,191,516.43)	72,909,876.98	(85,101,393.41)	-116.7%
Other Nonoperating Adjustments				
State Appropriations	95,154,818.19	93,599,638.28	1,555,179.91	1.7%
Nonexchange Sponsored Programs	(99.00)	354,145.00	(354,244.00)	-100.0%
Gift Contributions for Operations	82,525,485.41	52,063,144.93	30,462,340.48	58.5%
Net Investment Income	43,916,253.22	35,616,041.91	8,300,211.31	23.3%
Interest Expense on Capital Asset Financings	(22,446,517.87)	(23,315,648.02)	869,130.15	3.7%
Net Other Nonoperating Adjustments	199,149,939.95	158,317,322.10	40,832,617.85	25.8%
Adjusted Income (Loss) including Depreciation & Amortization	186,958,423.52	231,227,199.08	(44,268,775.56)	-19.1%
Adjusted Margin % including Depreciation & Amortization	8.3%	10.8%		
Investment Gain (Losses)	92,920,172.40	6,631,221.46	86,288,950.94	1,301.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	279,878,595.92	237,858,420.54	42,020,175.38	17.7%
Adj. Margin % with Investment Gains (Losses)	11.9%	11.1%		
Adjusted Income (Loss) excluding Depreciation & Amortization	350,816,347.14	383,734,063.78	(32,917,716.64)	-8.6%
Adjusted Margin % excluding Depreciation & Amortization	15.5%	17.9%		

UNAUDITED

The University of Texas Health Science Center at Tyler
 Monthly Financial Report, Comparison of Operating Results and Margin
 For the Period Ending March 31, 2013

	March Year-to-Date FY 2013	March Year-to-Date FY 2012	Variance	Fluctuation Percentage
Operating Revenues				
Net Student Tuition	23,723.16	-	23,723.16	100.0%
Sponsored Programs	8,238,491.51	7,796,767.94	441,723.57	5.7%
Net Sales and Services of Educational Activities	789,563.06	1,017,543.13	(227,980.07)	-22.4%
Net Sales and Services of Hospitals	25,954,589.41	26,054,872.77	(100,283.36)	-0.4%
Net Professional Fees	5,971,370.15	6,672,099.58	(700,729.43)	-10.5%
Net Auxiliary Enterprises	104,616.77	88,129.07	16,487.70	18.7%
Other Operating Revenues	945,060.00	850,133.39	94,926.61	11.2%
Total Operating Revenues	42,027,414.06	42,479,545.88	(452,131.82)	-1.1%
Operating Expenses				
Salaries and Wages	35,869,802.60	32,650,006.86	3,219,795.74	9.9%
Payroll Related Costs	10,946,144.31	10,390,973.20	555,171.11	5.3%
Cost of Goods Sold	44,388.63	44,310.62	78.01	0.2%
Professional Fees and Services	4,985,012.10	4,068,994.71	916,017.39	22.5%
Other Contracted Services	4,010,505.01	3,434,547.28	575,957.73	16.8%
Travel	271,303.31	294,493.75	(23,190.44)	-7.9%
Materials and Supplies	8,574,484.03	8,117,630.06	456,853.97	5.6%
Utilities	1,605,982.75	1,574,275.72	31,707.03	2.0%
Communications	382,084.85	465,654.08	(83,569.23)	-17.9%
Repairs and Maintenance	2,328,496.24	1,424,657.26	903,838.98	63.4%
Rentals and Leases	528,382.59	195,167.90	333,214.69	170.7%
Printing and Reproduction	58,868.38	385,277.67	(326,409.29)	-84.7%
Scholarships and Fellowships	42,421.16	12,407.50	30,013.66	241.9%
Depreciation and Amortization	5,197,254.36	5,123,392.26	73,862.10	1.4%
Federal Sponsored Program Pass-Through to Other State Agencies	111,092.38	233,138.75	(122,046.37)	-52.3%
Other Operating Expenses	1,349,452.41	1,635,284.09	(285,831.68)	-17.5%
Total Operating Expenses	76,305,675.11	70,050,211.71	6,255,463.40	8.9%
Operating Loss	(34,278,261.05)	(27,570,665.83)	(6,707,595.22)	-24.3%
Other Nonoperating Adjustments				
State Appropriations	21,725,904.73	26,789,641.74	(5,063,737.01)	-18.9%
Gift Contributions for Operations	448,059.52	158,825.16	289,234.36	182.1%
Net Investment Income	2,461,245.41	2,405,378.88	55,866.53	2.3%
Interest Expense on Capital Asset Financings	(937,974.45)	(837,494.07)	(100,480.38)	-12.0%
Net Other Nonoperating Adjustments	23,697,235.21	28,516,351.71	(4,819,116.50)	-16.9%
Adjusted Income (Loss) including Depreciation & Amortization	(10,581,025.84)	945,685.88	(11,526,711.72)	-1,218.9%
Adjusted Margin % including Depreciation & Amortization	-15.9%	1.3%		
Investment Gain (Losses)	2,424,165.01	(678,785.83)	3,102,950.84	457.1%
Adj. Inc. (Loss) with Investment Gains (Losses)	(8,156,860.83)	266,900.05	(8,423,760.88)	-3,156.1%
Adj. Margin % with Investment Gains (Losses)	-11.8%	0.4%		
Adjusted Income (Loss) excluding Depreciation & Amortization	(5,383,771.48)	6,069,078.14	(11,452,849.62)	-188.7%
Adjusted Margin % excluding Depreciation & Amortization	-8.1%	8.4%		

3. **U. T. System: Approval of the Fiscal Year 2014 Budget Preparation Policies and Calendar**

RECOMMENDATION

With the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs, the Chancellor recommends that the U. T. System Board of Regents approve the Budget Preparation Policies and Calendar on Page 135 for use in preparing the Fiscal Year (FY) 2014 Operating Budget for the U. T. System as set out below:

U. T. System Fiscal Year 2014 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the General Appropriations Act to be enacted by the 83rd Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2014 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. The Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic Plan.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

2. Maintenance of Operating Margin and Use of Prior Year Balances - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2014 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Controller, and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
 - A. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009(a) and (c), shall be proportional to the source of funds.

- B. Merit Increases and Promotions - Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments. In accordance with the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals. Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

- C. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.
- D. New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
- E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
4. Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. The Chancellor will issue instructions regarding the implementation of the benefits into the budget process.
5. Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
6. Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.

7. Calendar - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Calendar.

BACKGROUND INFORMATION

The U. T. System FY 2014 Budget Preparation Policies will be consistent with the regulations and directives included in the General Appropriations Act and other general law to be enacted by the 83rd Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.



**THE UNIVERSITY OF TEXAS SYSTEM
FY 2014 OPERATING BUDGET CALENDAR**

January 2013 – August 2013	Performance appraisal focal period
May 9, 2013	U. T. System Board of Regents takes appropriate action on budget preparation policies
May 29 - June 7, 2013	Major goals, priorities, and resource allocation hearings with U. T. System Administration
June 28, 2013	Draft budget documents due to U. T. System
July 3 - 11, 2013	Technical budget review with U. T. System
July 19, 2013	Final budget documents due to U. T. System
July 26, 2013	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
August 9, 2013	Operating Budget Summaries mailed to the U. T. System Board of Regents
August 15, 2013	Salary change report due to U. T. System
August 22, 2013	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation

4. **U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2013**

REPORT

The February 28, 2013 UTIMCO Performance Summary Report is attached on Page 137.

The Investment Reports for the quarter ended February 28, 2013, are set forth on Pages 138 - 141.

Item I on Page 138 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 3.61% versus its composite benchmark return of 3.81%. The PUF's net asset value increased by \$555 million since the beginning of the quarter to \$14,242 million. The increase was due to \$174 million PUF Lands receipts, plus a net investment return of \$490 million, less distributions made to the Available University Fund (AUF) of \$109 million.

Item II on Page 139 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 3.68% versus its composite benchmark return of 3.81%. The GEF's net asset value increased by \$206 million during the quarter to \$7,435 million.

Item III on Page 140 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 2.56% versus its composite benchmark return of 2.04%. The net asset value increased during the quarter to \$5,243 million due to net investment return of \$130 million, plus net contributions of \$63 million, less distributions of \$38 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 141 presents book and market values of cash, debt, equity, and other securities held in funds outside of the PUF, GEF, and ITF. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market funds, increased by \$248 million to \$2,198 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$23 million versus \$22 million at the beginning of the period; equities: \$57 million versus \$54 million at the beginning of the period; and other investments: \$2 million versus \$3 million at the beginning of the period.

UTIMCO Performance Summary

February 28, 2013

	Net Asset Value 2/28/2013 (in Millions)	Periods Ended February 28, 2013 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
ENDOWMENT FUNDS									
Permanent University Fund	\$ 14,242	0.36%	3.61%	6.29%	2.47%	8.37%	9.06%	3.27%	9.07%
General Endowment Fund		0.37	3.68	6.43	2.51	8.54	9.15	3.28	9.21
Permanent Health Fund	1,015	0.36	3.64	6.36	2.51	8.40	9.07	3.20	9.11
Long Term Fund	6,420	0.36	3.64	6.36	2.51	8.40	9.08	3.20	9.12
Separately Invested Funds	158	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	21,835								
OPERATING FUNDS									
Intermediate Term Fund	5,243	(0.32)	2.56	4.57	1.51	5.81	7.41	3.46	N/A
Debt Proceeds Fund	495	0.01	0.04	0.08	0.02	0.17	N/A	N/A	N/A
Short Term Fund	1,626	0.01	0.03	0.07	0.02	0.16	0.19	0.67	1.98
Total Operating Funds	7,364								
Total Investments	\$ 29,199								
VALUE ADDED (1) (Percent)									
Permanent University Fund		0.38%	(0.20%)	0.49%	0.27%	2.26%	1.33%	2.20%	2.20%
General Endowment Fund		0.39	(0.13)	0.63	0.31	2.43	1.42	2.21	2.34
Intermediate Term Fund		0.19	0.52	0.78	0.49	2.78	2.29	2.35	N/A
Debt Proceeds Fund		0.01	0.02	0.03	0.02	0.06	N/A	N/A	N/A
Short Term Fund		0.01	0.01	0.02	0.02	0.05	0.08	0.28	0.21
VALUE ADDED (1) (\$ IN MILLIONS)									
Permanent University Fund		\$ 54	\$ (27)	\$ 66	\$ 37	\$ 293	\$ 504	\$ 1,408	\$ 2,641
General Endowment Fund		30	(9)	45	23	172	300	793	1,516
Intermediate Term Fund		10	26	39	25	136	319	542	N/A
Total Value Added		\$ 94	\$ (10)	\$ 150	\$ 85	\$ 601	\$ 1,123	\$ 2,743	\$ 4,157

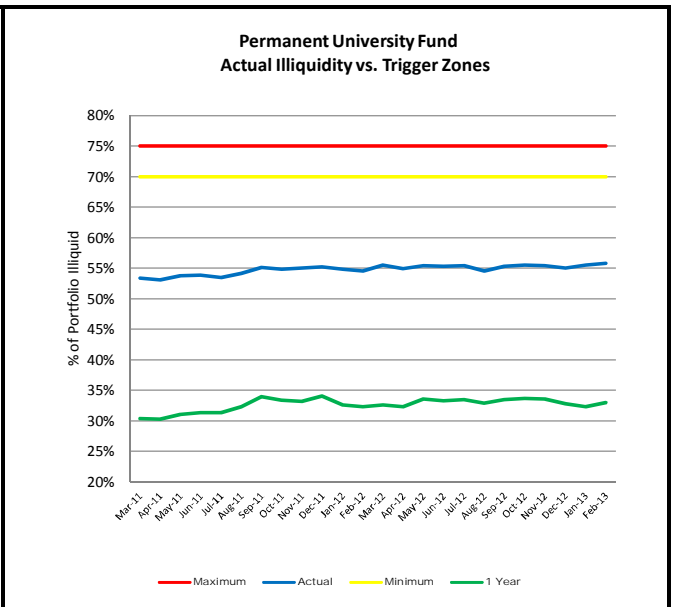
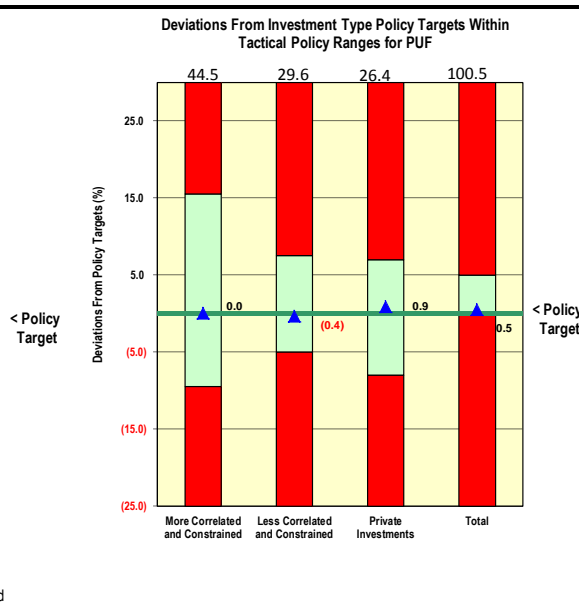
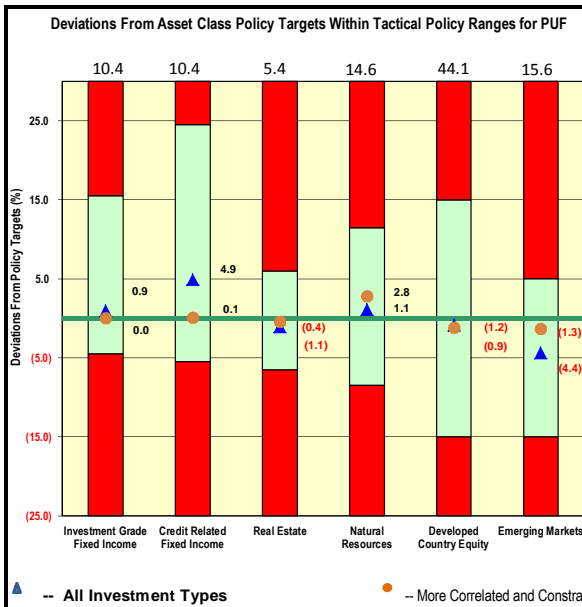
Footnotes available upon request.

I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows				
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013	
Beginning Net Assets	\$ 12,688	\$ 13,687	\$ 13,470	
PUF Lands Receipts	955	174	376	
Investment Return (Net of Expenses)	403	490	835	
Distributions to AUF	(576)	(109)	(439)	
Ending Net Assets	\$ 13,470	\$ 14,242	\$ 14,242	

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.20%	-1.13%	-0.12%	0.19%	0.07%
Credit-Related	8.48%	8.02%	0.00%	0.00%	0.00%
Real Estate	8.47%	11.35%	0.00%	-0.08%	-0.08%
Natural Resources	-3.93%	-1.01%	-0.24%	-0.23%	-0.47%
Developed Country	14.41%	10.85%	-0.24%	0.50%	0.26%
Emerging Markets	11.56%	12.06%	-0.23%	-0.06%	-0.29%
Total More Correlated and Constrained	5.98%	7.12%	-0.83%	0.32%	-0.51%
Less Correlated and Constrained	6.06%	5.06%	0.31%	-0.03%	0.28%
Private Investments	7.08%	4.36%	0.28%	0.44%	0.72%
Total	6.29%	5.80%	-0.24%	0.73%	0.49%

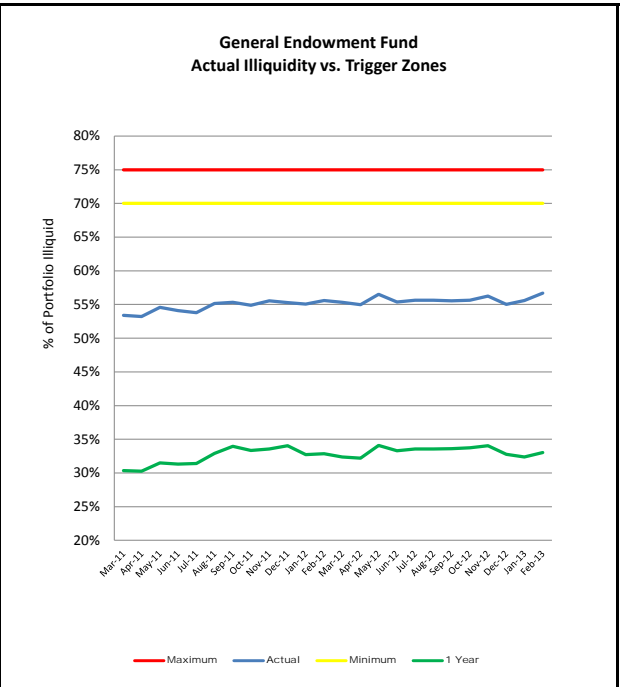
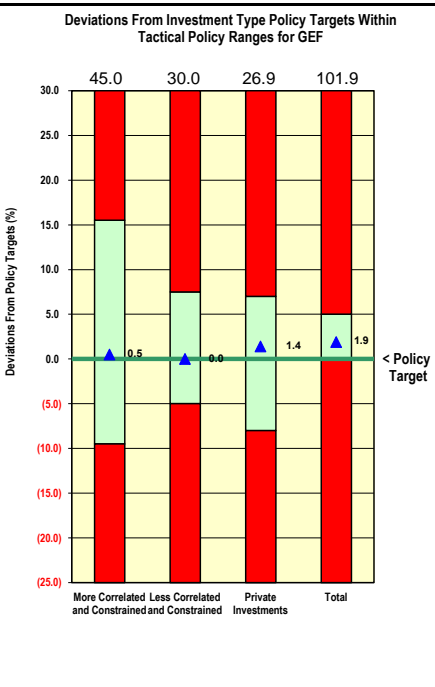
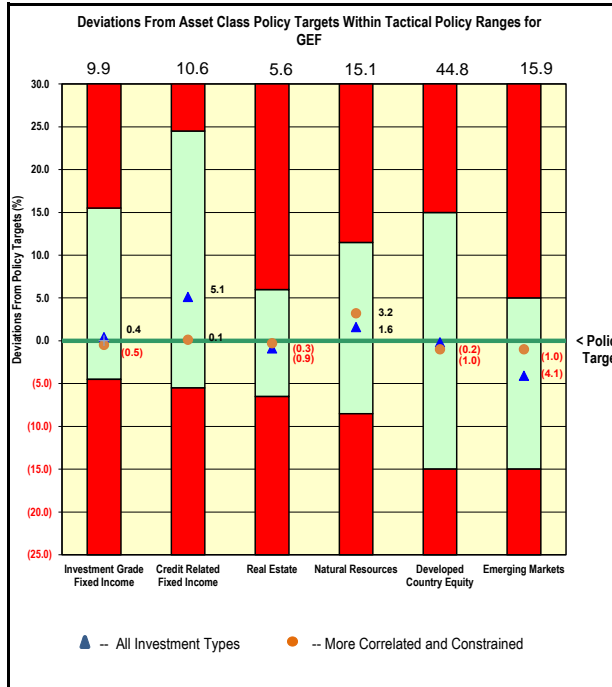


II. GENERAL ENDOWMENT FUND
Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013
Beginning Net Assets	\$ 7,049	\$ 7,229	\$ 7,105
Contributions	194	31	57
Withdrawals	(17)	(1)	(4)
Distributions	(344)	(90)	(179)
Investment Return (Net of Expenses)	223	266	456
Ending Net Assets	\$ 7,105	\$ 7,435	\$ 7,435

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.72%	-1.13%	-0.06%	0.22%	0.16%
Credit-Related	8.48%	8.02%	0.00%	0.00%	0.00%
Real Estate	8.50%	11.35%	0.01%	-0.08%	-0.07%
Natural Resources	-3.88%	-1.01%	-0.26%	-0.22%	-0.48%
Developed Country	14.41%	10.85%	-0.23%	0.50%	0.27%
Emerging Markets	11.99%	12.06%	-0.24%	-0.02%	-0.26%
Total More Correlated and Constrained	6.29%	7.12%	-0.78%	0.40%	-0.38%
Less Correlated and Constrained	6.06%	5.06%	0.31%	-0.03%	0.28%
Private Investments	7.08%	4.36%	0.28%	0.45%	0.73%
Total	6.43%	5.80%	-0.19%	0.82%	0.63%

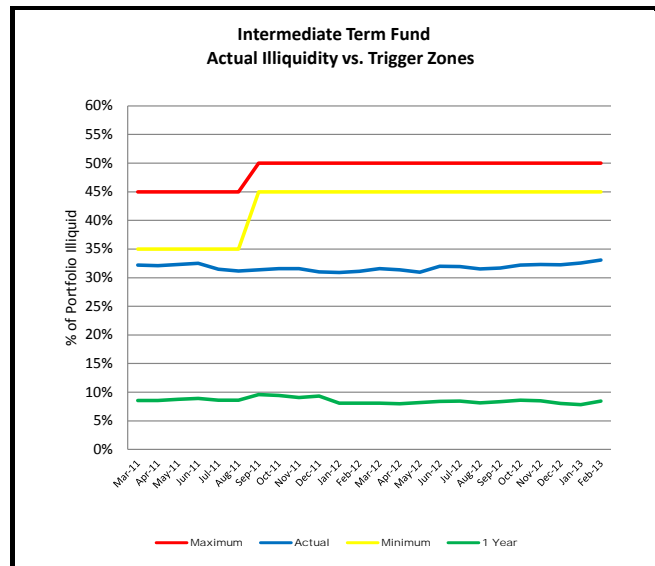
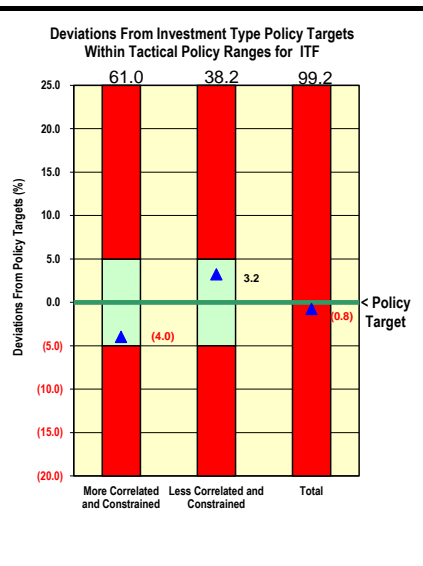
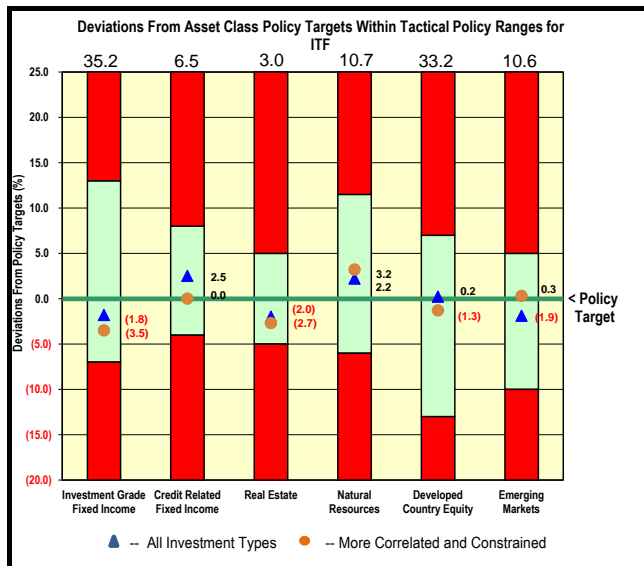


III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 28, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended February 28, 2013	Fiscal Year to Date August 31, 2013
Beginning Net Assets	\$ 4,662	\$ 5,088	\$ 4,893
Contributions	420	92	262
Withdrawals	(183)	(29)	(62)
Distributions	(142)	(38)	(76)
Investment Return (Net of Expenses)	136	130	226
Ending Net Assets	<u>\$ 4,893</u>	<u>\$ 5,243</u>	<u>\$ 5,243</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.14%	-1.13%	0.07%	0.80%	0.87%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	8.61%	11.35%	-0.10%	-0.12%	-0.22%
Natural Resources	-3.10%	-1.01%	-0.27%	-0.15%	-0.42%
Developed Country	14.92%	10.85%	-0.23%	0.39%	0.16%
Emerging Markets	12.62%	12.06%	-0.03%	0.03%	0.00%
Total More Correlated and Constrained	3.67%	3.11%	-0.56%	0.95%	0.39%
Less Correlated and Constrained	6.06%	5.06%	0.39%	0.00%	0.39%
Private Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Total	4.57%	3.79%	-0.17%	0.95%	0.78%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at February 28, 2013
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
Cash & Equivalents:																
Beginning value 11/30/12	-	-	2,045	2,045	31,500	31,500	2,838	2,838	2,058	2,058	38,441	38,441	1,911,558	1,911,558	1,949,999	1,949,999
Increase/(Decrease)	-	-	(172)	(172)	37,565	37,565	(1,036)	(1,036)	1,916	1,916	38,273	38,273	209,628	209,628	247,901	247,901
Ending value 02/28/13	-	-	1,873	1,873	69,065	69,065	1,802	1,802	3,974	3,974	76,714	76,714	2,121,186	2,121,186	2,197,900	2,197,900
Debt Securities:																
Beginning value 11/30/12	-	-	45	45	11,450	12,840	8,710	9,512	-	-	20,205	22,397	-	-	20,205	22,397
Increase/(Decrease)	-	-	-	-	602	395	149	(153)	-	-	751	242	-	-	751	242
Ending value 02/28/13	-	-	45	45	12,052	13,235	8,859	9,359	-	-	20,956	22,639	-	-	20,956	22,639
Equity Securities:																
Beginning value 11/30/12	461	2,513	1,409	1,445	31,149	35,351	13,634	14,564	-	-	46,653	53,873	-	-	46,653	53,873
Increase/(Decrease)	-	486	(114)	(16)	450	2,179	66	499	-	-	402	3,148	-	-	402	3,148
Ending value 02/28/13	461	2,999	1,295	1,429	31,599	37,530	13,700	15,063	-	-	47,055	57,021	-	-	47,055	57,021
Other:																
Beginning value 11/30/12	-	-	354	354	9	9	468	144	2,018	2,018	2,849	2,525	-	-	2,849	2,525
Increase/(Decrease)	-	-	376	376	2	2	6	(12)	(1,388)	(1,388)	(1,004)	(1,022)	-	-	(1,004)	(1,022)
Ending value 02/28/13	-	-	730	730	11	11	474	132	630	630	1,845	1,503	-	-	1,845	1,503
Total Assets:																
Beginning value 11/30/12	461	2,513	3,853	3,889	74,108	79,700	25,650	27,058	4,076	4,076	108,148	117,236	1,911,558	1,911,558	2,019,706	2,028,794
Increase/(Decrease)	-	486	90	188	38,619	40,141	(815)	(702)	528	528	38,422	40,641	209,628	209,628	248,050	250,269
Ending value 02/28/13	461	2,999	3,943	4,077	112,727	119,841	24,835	26,356	4,604	4,604	146,570	157,877	2,121,186	2,121,186	2,267,756	2,279,063

Details of individual assets by account furnished upon request.