



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 5/8/2024

Board Meeting: 5/9/2024
Austin, Texas

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

	Committee Meeting	Board Meeting	Page
Convene	<i>1:30 p.m.</i> <i>Chairman Longoria</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	44
2. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund	Action <i>Mr. Pruitt</i>	Action	45
3. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions	Action <i>Mr. Pruitt</i>	Action	48
4. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	50
5. U. T. System: University Lands Update	Report/Discussion <i>Mr. Murphy</i>	Not on Agenda	77
Adjourn	<i>2:00 p.m.</i>		

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 150](#).

2. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs in the recommendation that

- a. the Fiscal Year 2025 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be \$1,524,925,000 effective September 1, 2024;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0724 per unit to \$0.0765 per unit for Fiscal Year 2025 (effective with November 30, 2024 distribution);
- c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3951 per unit to \$0.4175 per unit for Fiscal Year 2025 (effective with November 30, 2024 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2025.

BACKGROUND INFORMATION

Article VII, Section 18 of the *Texas Constitution* requires that the amount of distributions to the AUF be determined by the Board of Regents in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The recommendation will increase PUF distributions by the average rate of inflation for the trailing 12 quarters plus 2.65%.

The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

- 1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$1,524,925,000 is substantially greater than PUF bond debt service of \$593,200,000 projected for Fiscal Year 2025.

System	Debt Service
U. T.	\$ 367,600,000
TAMU	225,600,000
Total:	\$ 593,200,000

Sources: U. T. System Office of Finance
Texas A&M University System Office of Treasury Services

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2024, was 5.05%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return, Net of Investment Manager Fees	7.86%
Mineral Interest Receipts	4.68%
Expense Rate	(0.20%) ⁽¹⁾
Inflation Rate	(2.83%)
Distribution Rate	(4.46%)
Net Real Return	5.05%

(1) The expense rate as shown is a 10-year annualized average and includes PUF Land Expenses and PUF investment management costs other than investment manager fees. Investment management fees are a reduction to the Rate of Total Return.

3. The annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 20-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments ⁽¹⁾	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$29,046,022,226	\$ 1,524,925,000	5.25%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to:

- a. provide a predictable stable stream of distributions over time;
- b. ensure that the inflation-adjusted value of the distributions is maintained over the long term; and
- c. ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

The increase in the consumer price index for the prior three years as of November 30, 2023, was 5.67%. The recommended 5.67% increase in the PHF distribution rate of \$0.0724 to \$0.0765 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.21%.

On November 14, 2019, the Board of Regents authorized a maximum 0.80% allocation (80 basis points) from the market value of the LTF to provide additional funding for development operations at U. T. institutions to substantially increase philanthropic revenue. The proposed LTF distribution rate of \$0.4175 per unit or 4.48% of the market value of the LTF plus the 0.80% development allocation will result in a total LTF spending rate of 5.28% of the prior 12-quarter average value of the LTF.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2025 is to continue a distribution rate of 3.0%.

3. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On August 24, 2023, the Board of Regents adopted the 38th Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$975 million. On February 22, 2024, the Board of Regents adopted the 39th Supplemental Resolution authorizing an RFS commercial paper note program in an amount not to exceed \$500 million. Adoption of this 40th Supplemental Resolution would provide \$975 million of authority to finance additional projects approved by the Board of Regents under the same provisions as the 38th Supplemental Resolution.

Adoption of the Supplemental Resolution would authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution would also authorize the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

The proposed Supplemental Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed Resolution is available [online](https://utsystem.edu/board-of-regents/meetings/board-meeting-2024-05-08) at <https://utsystem.edu/board-of-regents/meetings/board-meeting-2024-05-08>.

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

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

U. T. System

Fiscal Year-to-Date Actuals and Projected Fiscal Year-End

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting

Finance and Planning Committee

May 2024



U. T. System Consolidated Summary

Fiscal Year Summary
Period Ending February 29, 2024



Revenues
\$15,400.0 M



Expenses
\$13,376.9 M



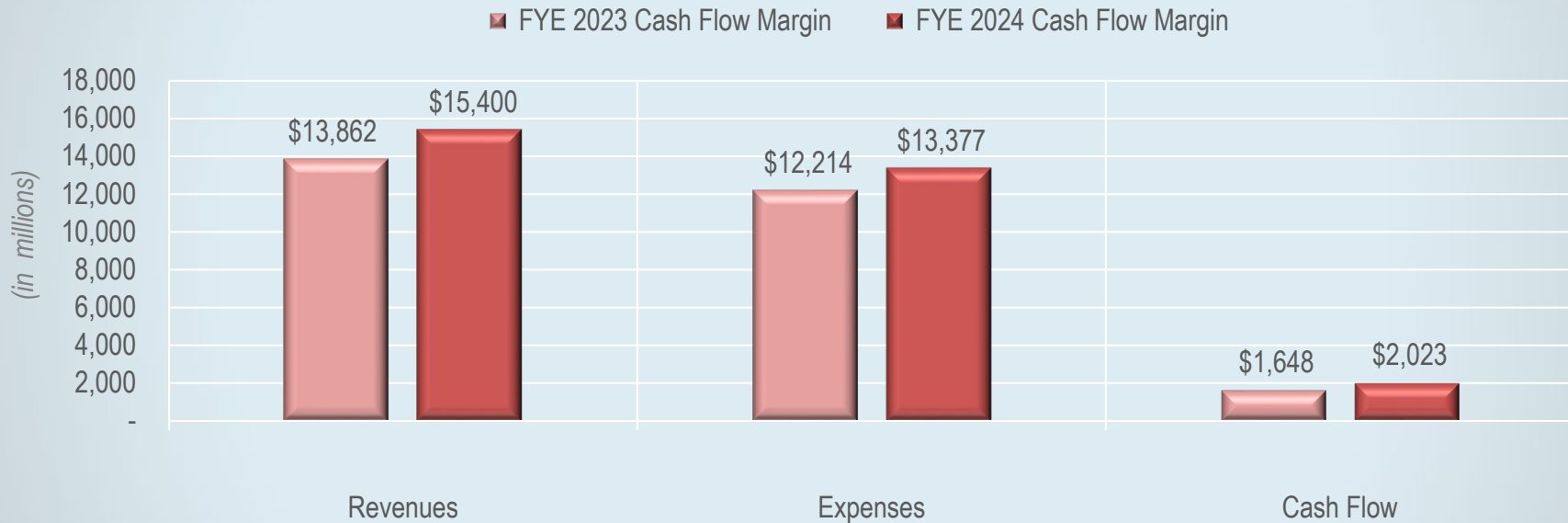
Cash Flow Margin
\$2,023.1 M



FYE Projected Cash Flow
\$3,324.1 M

U. T. System Consolidated Revenue & Expenses

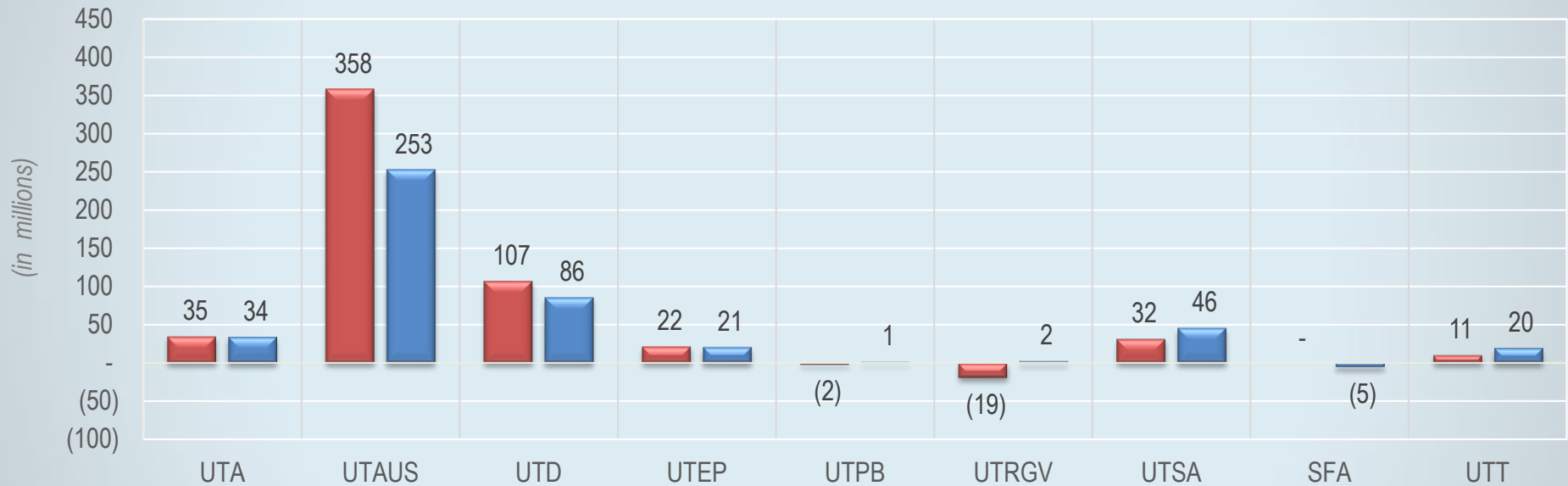
Year-Over-Year Comparison (February)



Cash Flow Margin – Academic Institutions

Year-Over-Year Comparison (February)

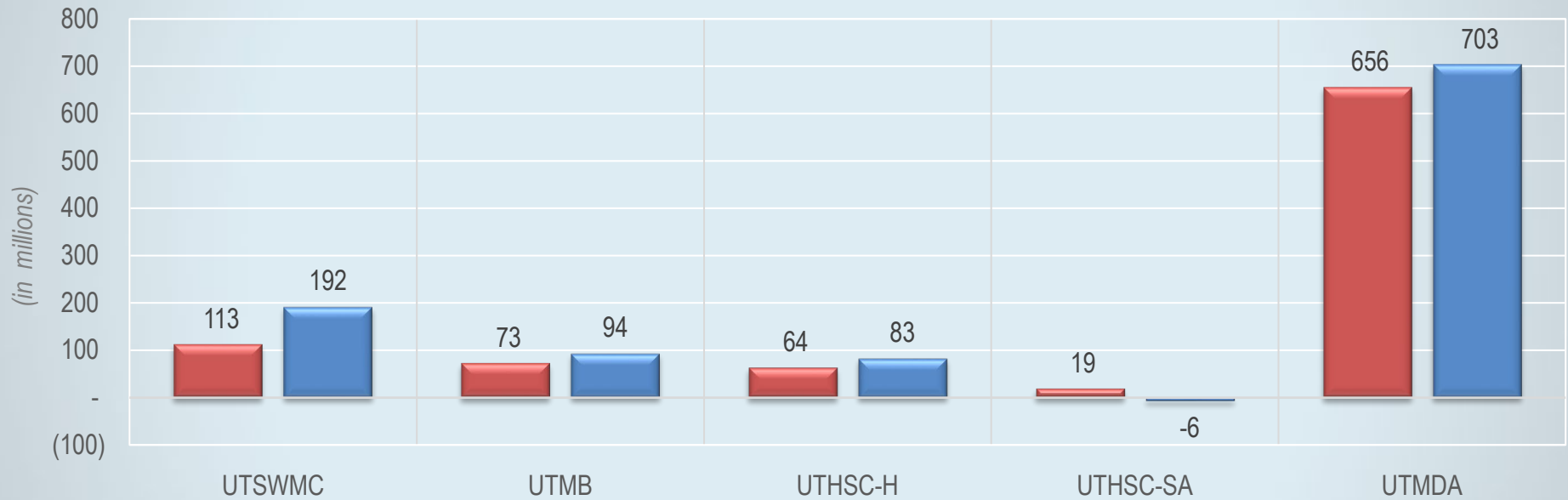
FY 2023 Cash Flow FY 2024 Cash Flow



Cash Flow Margin – Health Institutions

Year-Over-Year Comparison (February)

FY 2023 Cash Flow FY 2024 Cash Flow



Excludes Depreciation Expense

Budget to Projected – Academic Institutions

FY 2024										
	Budget (\$ Millions)				Projected (\$ Millions)					
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio		
U. T. Arlington	\$842.5	\$813.4	\$29.1	3.5%	\$925.8	\$772.1	\$153.6	16.6%	▲	
U. T. Austin	\$3,820.5	\$3,574.3	\$246.2	6.4%	\$4,144.3	\$3,740.6	\$403.7	9.7%	▲	
U. T. Dallas	\$913.7	\$803.8	\$110.0	12.0%	\$919.1	\$747.2	\$171.9	18.7%	▲	
U. T. El Paso	\$564.4	\$527.8	\$36.7	6.5%	\$579.9	\$535.4	\$44.5	7.7%	▲	
U. T. Permian Basin	\$100.2	\$104.2	(\$4.0)	-4.0%	\$106.6	\$102.4	\$4.2	4.0%	▲	
U. T. Rio Grande Valley	\$669.9	\$639.8	\$30.1	4.5%	\$666.6	\$641.1	\$25.5	3.8%	▲	
U. T. San Antonio	\$722.5	\$684.8	\$37.7	5.2%	\$773.4	\$681.2	\$92.2	11.9%	▲	
Stephen F. Austin	\$232.9	\$225.5	\$7.4	3.2%	\$214.3	\$209.6	\$4.7	2.2%	▲	
U. T. Tyler	\$578.1	\$554.3	\$23.8	4.1%	\$583.2	\$558.5	\$24.7	4.2%	▲	
Total	\$8,444.8	\$7,927.9	\$516.9	6.1%	\$8,913.0	\$7,988.0	\$925.1	10.4%	▲	

Budget to Projected – Health Institutions

FY 2024

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U. T. Southwestern Medical Center	\$4,894.8	\$4,581.5	\$313.3	6.4%	\$5,175.7	\$4,868.0	\$307.7	5.9%	▲
U. T. Medical Branch - Galveston	\$3,132.3	\$2,909.6	\$222.7	7.1%	\$3,154.6	\$2,927.4	\$227.2	7.2%	▲
U. T. Health Science Center - Houston	\$2,443.8	\$2,352.7	\$91.1	3.7%	\$2,571.8	\$2,405.6	\$166.2	6.5%	▲
U. T. Health Science Center - San Antonio	\$1,398.8	\$1,382.4	\$16.4	1.2%	\$1,407.6	\$1,391.1	\$16.5	1.2%	▲
U. T. M. D. Anderson Cancer Center	\$7,856.1	\$6,618.1	\$1,237.9	15.8%	\$8,104.2	\$6,787.7	\$1,316.5	16.2%	▲
Total	\$19,725.7	\$17,844.2	\$1,881.5	9.5%	\$20,414.0	\$18,379.9	\$2,034.1	10.0%	▲

Financial Summary

Systemwide Operations February 2024

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$58,720,988	\$30,744,698	52%
Direct Campus Support (AUF)	\$71,518,344	\$35,654,395	50%
Service Departments & Other Non-AUF*	\$67,253,261	\$32,713,196	49%
Total**	\$197,492,593	\$99,112,289	50%

**The Board of Regents has approved the budget related to University Lands. 2/3 of the overall University Lands budget and February YTD actuals are represented in the above amounts. The Board of Regents has also approved the portion (1/3 of the overall University Lands budget) that supports Texas A&M University.*

***Budget does not include PUF Debt or Capital Construction Assistance Projects (CCAP) Interest (All Institutions) or Depreciation. Also excluded are Lone Star Stroke, TX Child Mental Health Care Consortium (TCMHCC), Laredo Multi-Institution Center (MIC), Trauma Research and Combat Casualty Care Collaborative (TRC4), self-insurance funds, federal Medicare-related reimbursements, U. T. System Building debt service, and certain Systemwide software licenses centrally negotiated and reimbursed by the institutions.*

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

MONTHLY FINANCIAL REPORT *(unaudited)*

FEBRUARY 2024
FY 2024



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

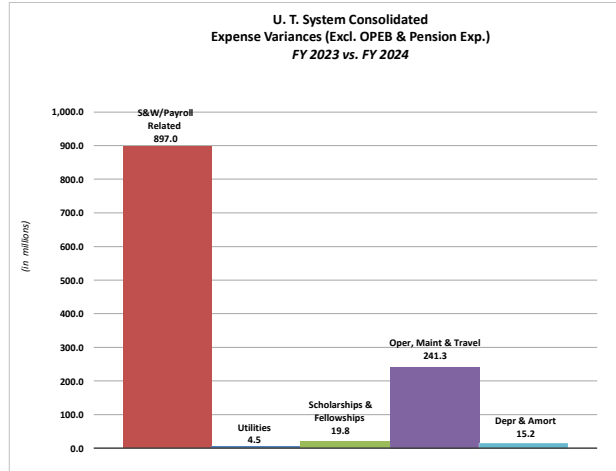
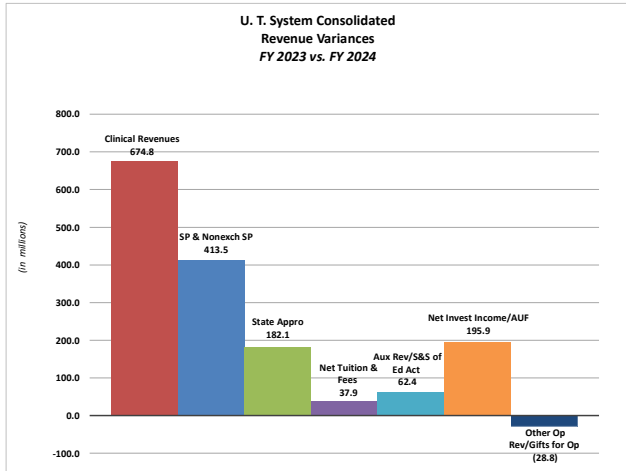
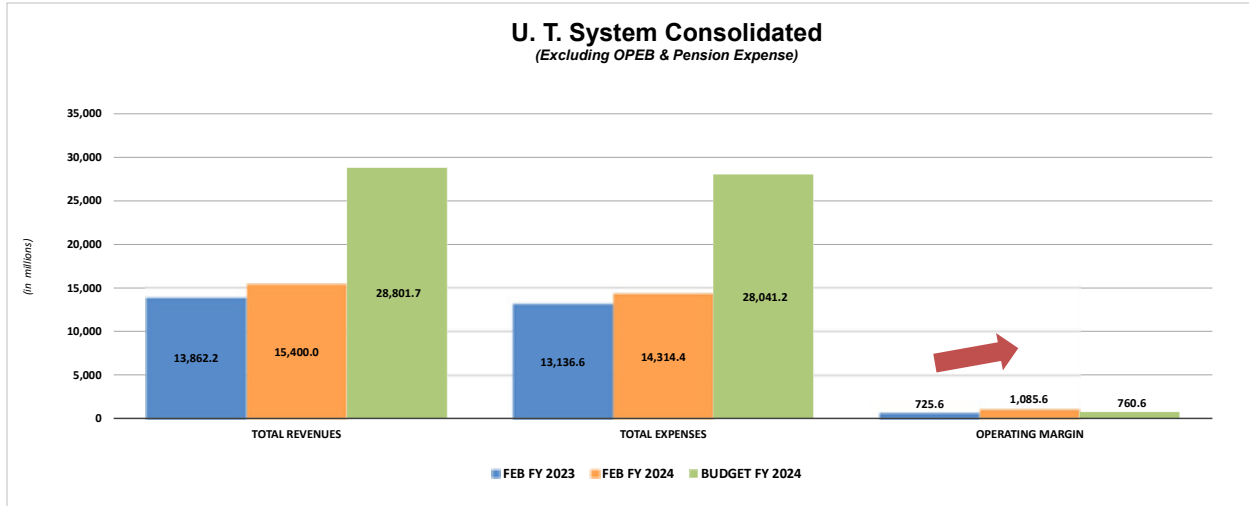
**Monthly Financial Report
Comparison of Cash Flow Margin
For the Period Ending February 29, 2024**

Executive Summary of Cash Flow Margin (Loss)*
(Excludes OPEB, Pension, Depreciation and Amortization Expense)

	February FYTD 2023 (millions)	February FYTD 2024 (millions)	Variance %	Comments
U. T. Arlington	35.0	34.2	-2%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$153.6 million for the FY
U. T. Austin	358.2	253.0	-29%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$403.7 million for the FY
U. T. Dallas	107.3	85.9	-20%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$171.9 million for the FY
U. T. El Paso	22.0	20.9	-5%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$44.5 million for the FY
U. T. Permian Basin	(1.9)	1.5	175%	Increases in State Appropriations, Gift Contributions for Operations Projected cash flow margin of \$4.2 million for the FY
U. T. Rio Grande Valley	(19.1)	2.4	113%	Decrease in Scholarships & Fellowships Increases in Net Investment Income, Gift Contributions for Operations, Auxiliary Revenues Projected cash flow margin of \$25.5 million for the FY
U. T. San Antonio	31.7	46.1	45%	Increases in State Appropriations, Auxiliary Revenues, Net Tuition and Fees Projected cash flow margin of \$92.2 million for the FY
Stephen F. Austin State University	0.0	(5.1)	N/A	Projected cash flow margin of \$4.7 million for the FY
U. T. Tyler	10.6	19.8	87%	Increases in Net Tuition and Fees, Auxiliary Revenues, Net Investment Income Decrease in Oper., Maint. & Travel (Materials & Supplies) Projected cash flow margin of \$24.7 million for the FY
Southwestern	113.1	192.5	70%	Increase in Clinical Revenues Projected cash flow margin of \$307.7 million for the FY
UTMB	73.3	94.1	28%	Increase in Clinical Revenues Projected cash flow margin of \$227.2 million for the FY
UTHSC-Houston	63.7	83.4	31%	Increase in Sponsored Programs Projected cash flow margin of \$166.2 million for the FY
UTHSC-San Antonio	19.5	(5.8)	-130%	Increase in Salaries & Wages/Payroll Related Costs Projected cash flow margin of \$16.5 million for the FY
M. D. Anderson	656.1	703.1	7%	Increase in Clinical Revenues Projected cash flow margin of \$1,316.5 million for the FY
U. T. System Administration (excluding OPEB & Pension Expense)	178.5	497.1	178%	Decrease in Oper., Maint. & Travel (Claims & Losses, Insurance Costs/Premiums) Increase in Net Investment Income Projected cash flow margin of \$364.9 million for the FY
Total Cash Flow Margin	\$ 1,647.9	2,023.1	23%	

* For additional details on the variances, please see pages 3 through 17 of the MFR.

Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024

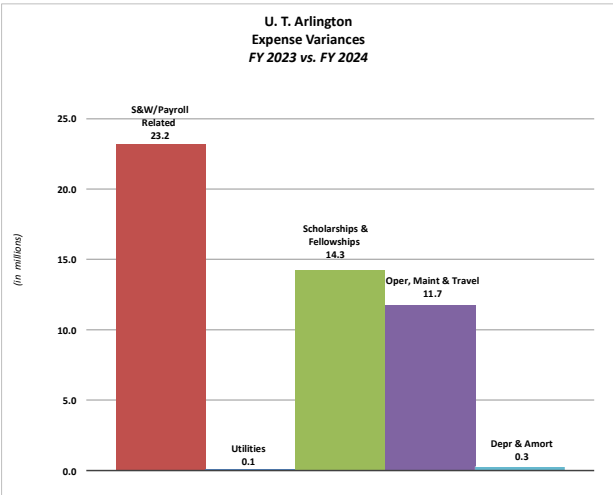
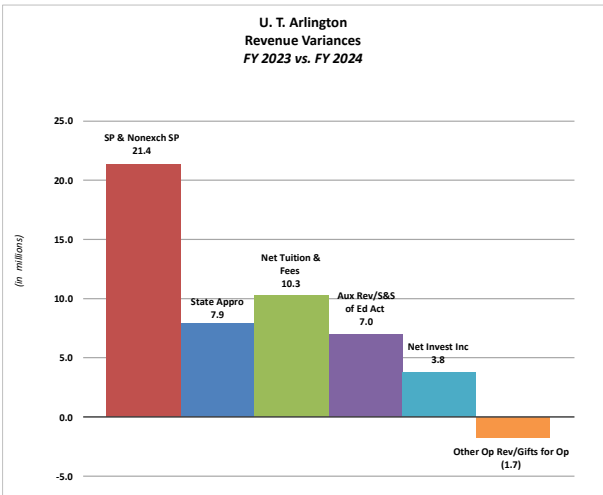
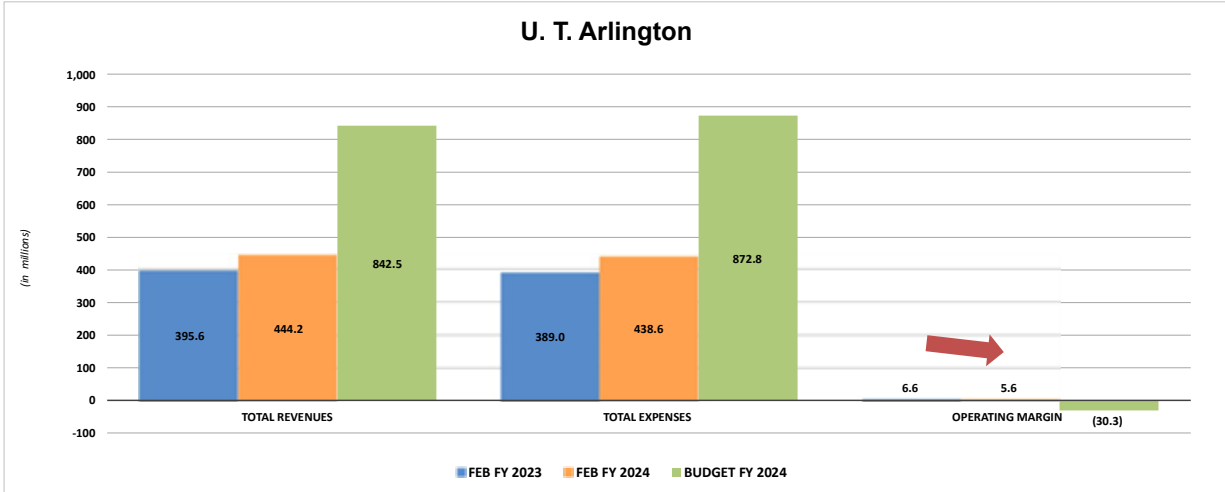


(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 5,883.7	6,558.6	674.8	12,980.0	13,295.2	315.1
Sponsored Programs/Nonexchange Sponsored Programs	2,683.6	3,097.1	413.5	5,753.3	6,229.4	476.1
State Appropriations	1,187.6	1,369.8	182.1	2,793.7 *	2,770.6	(23.1)
Net Tuition and Fees	1,103.6	1,141.5	37.9	2,248.4	2,264.4	16.0
Auxiliary Revenues/Sales & Services of Educational Activities	764.2	826.5	62.4	1,304.5	1,421.3	116.8
Net Investment Income	1,565.1	1,761.0	195.9	2,434.1	2,637.8	203.7
Other Operating Revenues/Gift Contributions for Operations	674.4	645.5	(28.8)	1,287.7	1,430.8	143.1
Total Revenues	13,862.2	15,400.0	1,537.8	28,801.7	30,049.5	1,247.8
Salaries and Wages/Payroll Related Costs	7,776.9	8,674.0	897.0	16,530.8	17,091.3	560.5
Utilities	167.6	172.0	4.5	337.8	333.0	(4.8)
Scholarships and Fellowships	344.7	364.5	19.8	633.7	648.9	15.2
Operations, Maintenance and Travel	3,925.1	4,166.4	241.3	8,671.5 *	8,652.3	(19.2)
Depreciation and Amortization	922.3	937.5	15.2	1,867.4	1,897.0	29.6
Total Expenses (Excluding OPEB & Pension Exp)	\$ 13,136.6	14,314.4	1,177.8	28,041.2	28,622.4	581.3
Operating Margin (Excluding OPEB & Pension Exp)	725.6	1,085.6	360.0	760.6	1,427.1	666.5
Cash Flow Margin (Excluding OPEB, Pension, Depr & Amort Exp)	1,647.9	2,023.1	375.2	2,628.0	3,324.1	696.1

*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding other postemployment benefits (OPEB), pension expense, and depreciation expense, *U. T. System Consolidated* shows a year-to-date positive cash margin of \$2,023.1 million, an increase of \$375.2 million (23%) from the prior year. The increase was primarily due to an increase in clinical revenues as a result of an increase in volume and clinical productivity.

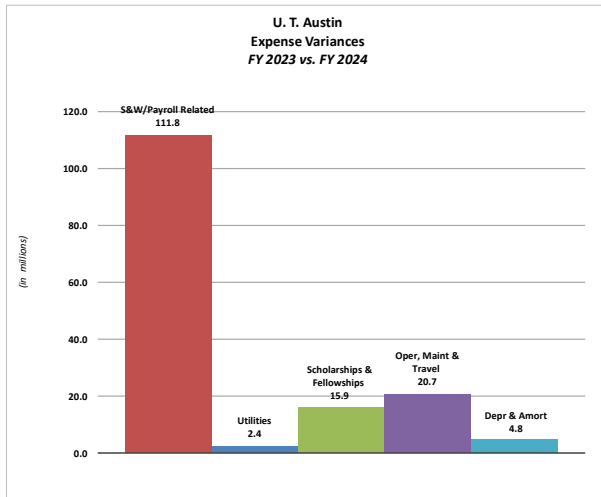
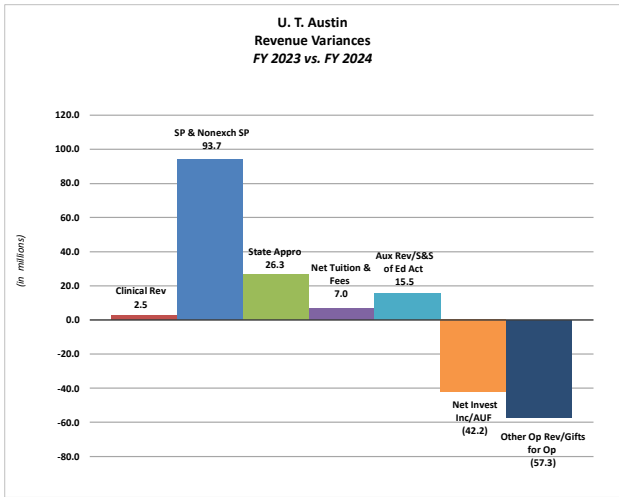
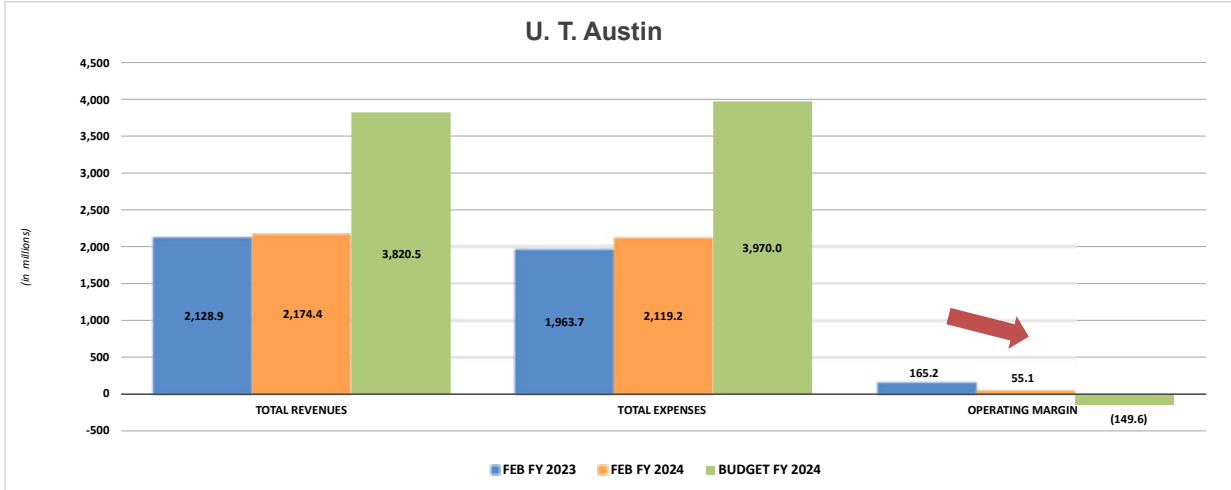
**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 85.5	106.9	21.4	190.4	227.3	36.9
State Appropriations	68.1	75.9	7.9	173.2	169.2	(3.9)
Net Tuition and Fees	179.0	189.3	10.3	358.0	378.7	20.7
Auxiliary Revenues/Sales & Services of Educational Activities	34.6	41.6	7.0	81.0	87.0	5.9
Net Investment Income	19.2	23.0	3.8	29.7	46.8	17.1
Other Operating Revenues/Gift Contributions for Operations	9.2	7.5	(1.7)	10.2	16.8	6.6
Total Revenues	395.6	444.2	48.6	842.5	925.8	83.3
Salaries and Wages/Payroll Related Costs	230.1	253.3	23.2	507.3	480.9	(26.4)
Utilities	5.1	5.2	0.1	11.7	10.5	(1.2)
Scholarships and Fellowships	24.7	39.0	14.3	58.9	78.0	19.1
Operations, Maintenance and Travel	100.7	112.4	11.7	235.4	202.8	(32.6)
Depreciation and Amortization	28.3	28.6	0.3	59.5	57.3	(2.2)
Total Expenses	\$ 389.0	438.6	49.6	872.8	829.4	(43.5)
Operating Margin	6.6	5.6	(1.0)	(30.3)	96.4	126.7
Cash Flow Margin (Excludes Depr & Amort Exp)	35.0	34.2	(0.7)	29.1	153.6	124.5

U. T. Arlington reported a year-to-date positive cash flow margin of \$34.2 million, a decrease of \$0.7 million (2%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs due to market adjustments, as well as merit increases. The most current projection received from U. T. Arlington reflects a cash flow margin of \$153.6 million for the year.

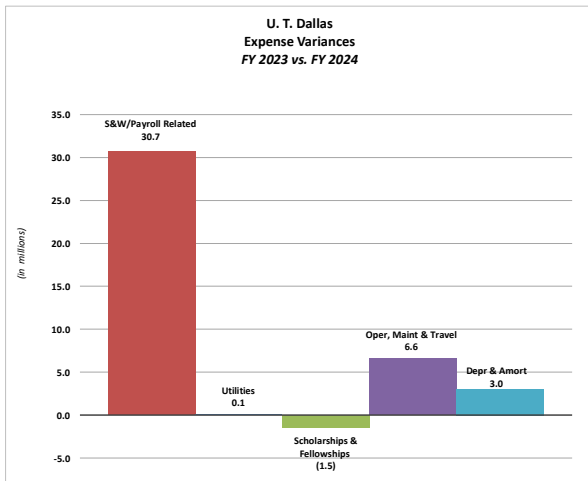
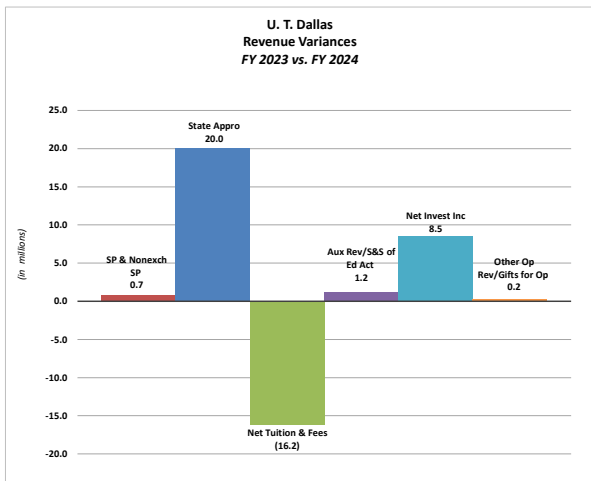
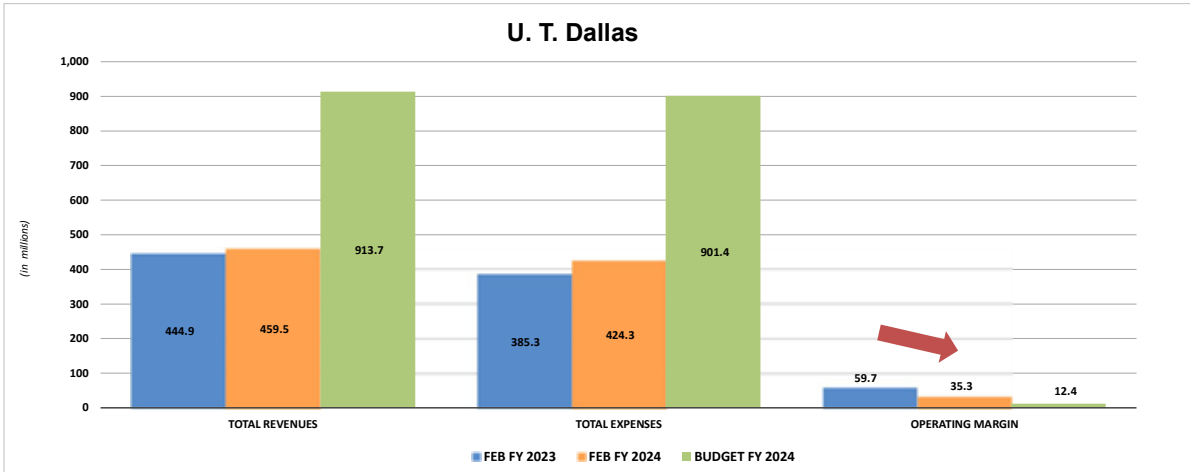
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 7.8	10.3	2.5	16.8	22.1	5.3
Sponsored Programs/Nonexchange Sponsored Programs	470.1	563.9	93.7	973.4	1,217.5	244.1
State Appropriations	179.8	206.2	26.3	412.3	412.3	(0.0)
Net Tuition and Fees	278.0	285.0	7.0	542.3	570.0	27.7
Auxiliary Revenues/Sales & Services of Educational Activities	469.3	484.8	15.5	703.6	767.1	63.5
Net Investment Income/Available University Fund (AUF)	539.9	497.7	(42.2)	892.3	877.4	(14.9)
Other Operating Revenues/Gift Contributions for Operations	183.8	126.5	(57.3)	279.8	277.9	(1.9)
Total Revenues	2,128.9	2,174.4	45.5	3,820.5	4,144.3	323.8
Salaries and Wages/Payroll Related Costs	1,112.4	1,224.2	111.8	2,182.3	2,363.8	181.5
Utilities	57.6	60.0	2.4	87.4	94.0	6.6
Scholarships and Fellowships	103.0	118.9	15.9	200.9	237.7	36.8
Operations, Maintenance and Travel	497.7	518.4	20.7	1,103.7	1,045.1	(58.6)
Depreciation and Amortization	193.0	197.8	4.8	395.8	395.6	(0.2)
Total Expenses	\$ 1,963.7	2,119.2	155.5	3,970.0	4,136.2	166.2
Operating Margin	165.2	55.1	(110.1)	(149.6)	8.1	157.7
Cash Flow Margin (Excludes Depr & Amort Exp)	358.2	253.0	(105.3)	246.2	403.7	157.5

U. T. Austin reported a year-to-date positive cash flow margin of \$253.0 million, a decrease of \$105.3 million (29%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions combined with equity and merit increases. The most current projection received from U. T. Austin reflects a cash flow margin of \$403.7 million for the year.

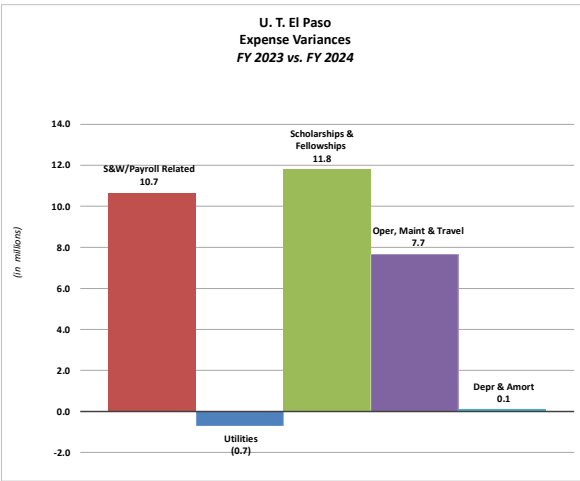
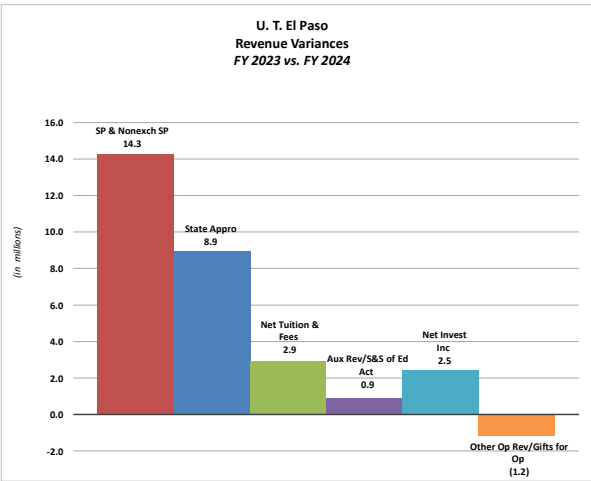
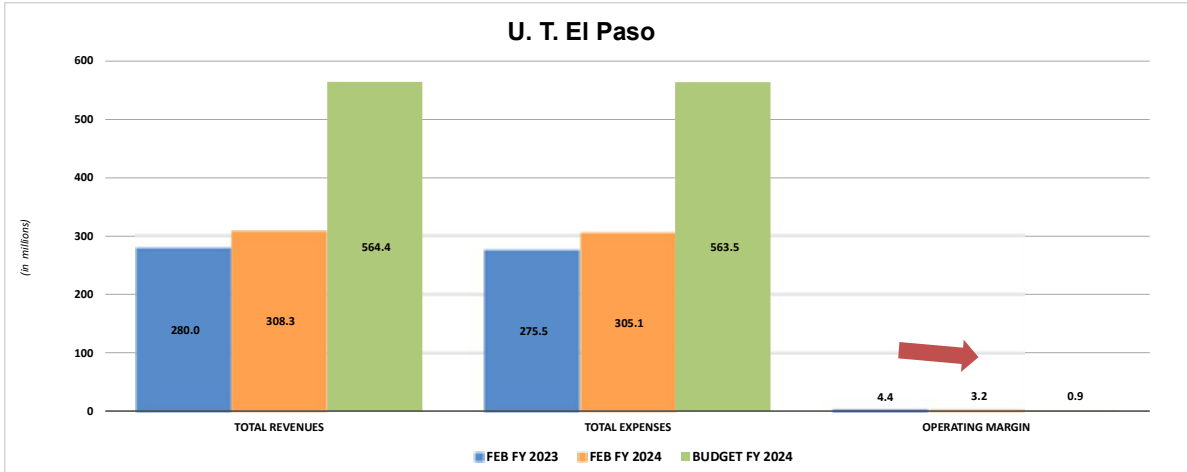
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 71.3	72.0	0.7	144.8	144.1	(0.7)
State Appropriations	69.9	90.0	20.0	178.6	180.0	1.3
Net Tuition and Fees	218.3	202.1	(16.2)	410.1	404.2	(5.9)
Auxiliary Revenues/Sales & Services of Educational Activities	48.3	49.5	1.2	97.5	99.0	1.5
Net Investment Income	25.7	34.2	8.5	57.3	68.5	11.2
Other Operating Revenues/Gift Contributions for Operations	11.4	11.7	0.2	25.4	23.3	(2.1)
Total Revenues	444.9	459.5	14.6	913.7	919.1	5.3
Salaries and Wages/Payroll Related Costs	228.5	259.2	30.7	529.6	518.5	(11.1)
Utilities	7.9	8.0	0.1	15.8	16.0	0.1
Scholarships and Fellowships	24.3	22.8	(1.5)	59.7	45.7	(14.0)
Operations, Maintenance and Travel	76.9	83.5	6.6	198.6	167.0	(31.6)
Depreciation and Amortization	47.7	50.7	3.0	97.6	101.4	3.8
Total Expenses	\$ 385.3	424.3	39.0	901.4	848.5	(52.8)
Operating Margin	59.7	35.3	(24.4)	12.4	70.5	58.1
Cash Flow Margin (Excludes Depr & Amort Exp)	107.3	85.9	(21.4)	110.0	171.9	61.9

U. T. Dallas reported a year-to-date positive cash flow margin of \$85.9 million, a decrease of \$21.4 million (20%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs due to merit increases, as well as an increase in staff and faculty positions. The most current projection received from U. T. Dallas reflects a cash flow margin of \$171.9 million for the year.

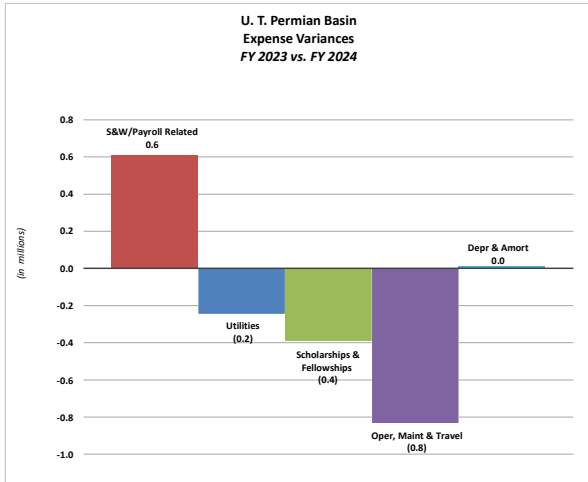
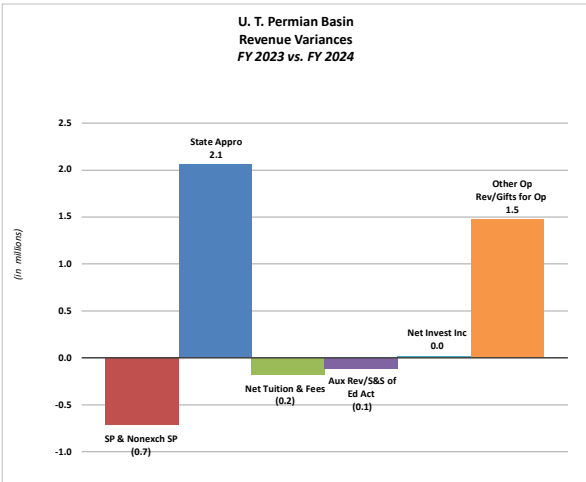
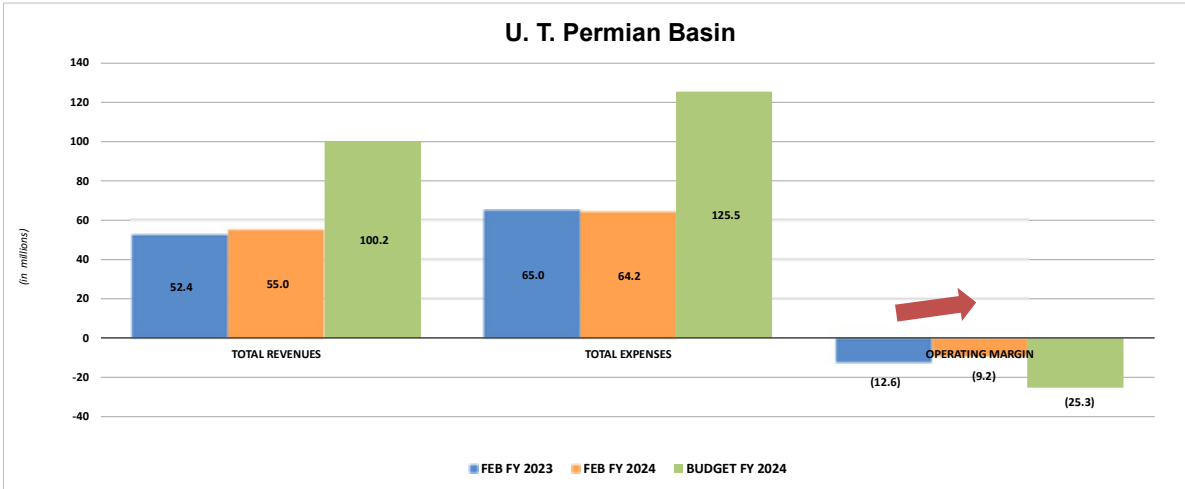
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 97.6	111.9	14.3	196.4	210.8	14.4
State Appropriations	56.4	65.3	8.9	125.2	125.2	0.0
Net Tuition and Fees	78.7	81.6	2.9	153.6	152.1	(1.6)
Auxiliary Revenues/Sales & Services of Educational Activities	26.0	26.9	0.9	56.5	51.5	(5.0)
Net Investment Income	12.4	14.9	2.5	22.7	28.4	5.7
Other Operating Revenues/Gift Contributions for Operations	8.8	7.7	(1.2)	10.0	11.9	1.9
Total Revenues	280.0	308.3	28.3	564.4	579.9	15.4
Salaries and Wages/Payroll Related Costs	150.6	161.3	10.7	299.0	299.6	0.6
Utilities	4.7	4.0	(0.7)	10.3	10.3	0.0
Scholarships and Fellowships	44.6	56.4	11.8	89.2	84.8	(4.3)
Operations, Maintenance and Travel	58.0	65.7	7.7	129.4	140.7	11.3
Depreciation and Amortization	17.6	17.7	0.1	35.7	35.9	0.2
Total Expenses	\$ 275.5	305.1	29.6	563.5	571.3	7.8
Operating Margin	4.4	3.2	(1.2)	0.9	8.6	7.7
Cash Flow Margin (Excludes Depr & Amort Exp)	22.0	20.9	(1.1)	36.7	44.5	7.8

U. T. El Paso reported a year-to-date positive cash flow margin of \$20.9 million, a decrease of \$1.1 million (5%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of market and retention adjustments, as well as merit increases. The most current projection received from U. T. El Paso reflects a cash flow margin of \$44.5 million for the year.

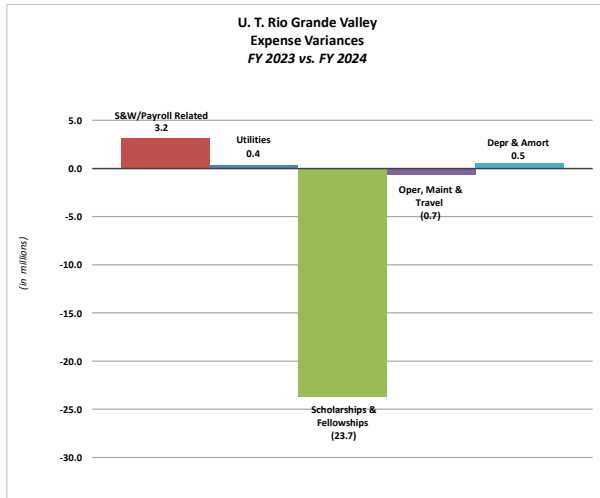
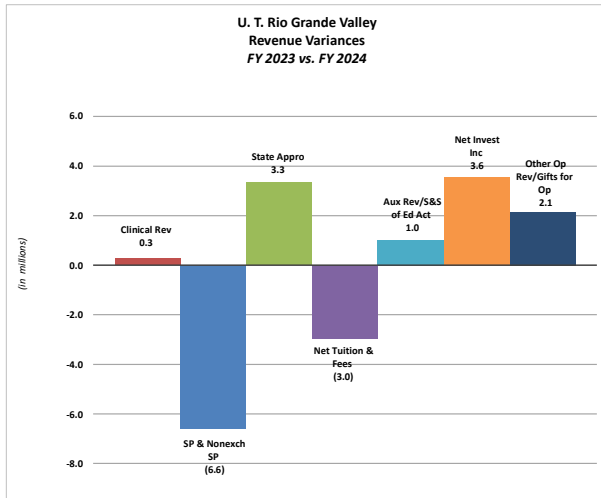
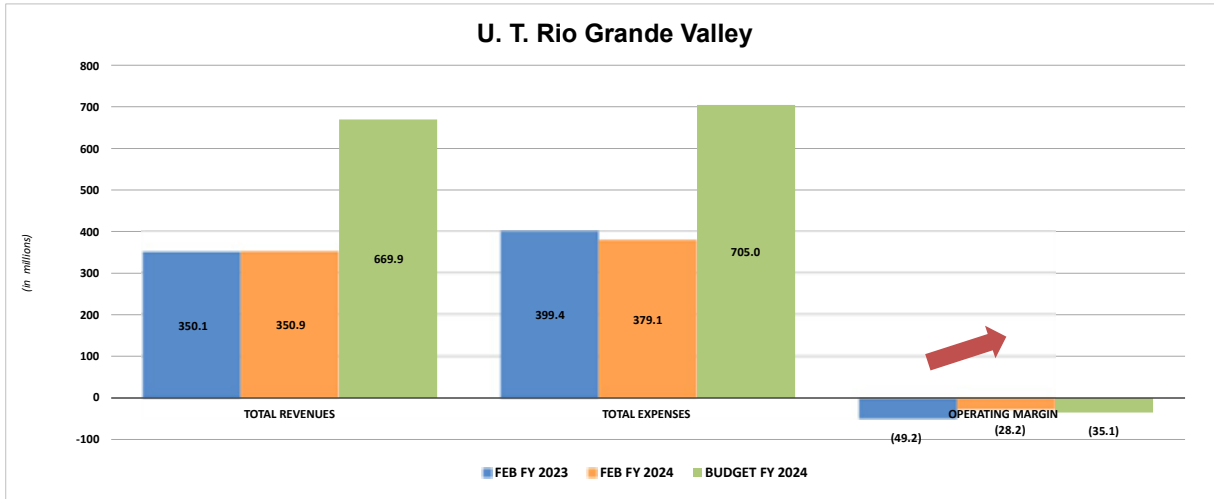
**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 12.9	12.2	(0.7)	18.5	21.5	3.1
State Appropriations	12.7	14.7	2.1	30.9	29.4	(1.5)
Net Tuition and Fees	15.8	15.6	(0.2)	31.8	31.2	(0.5)
Auxiliary Revenues/Sales & Services of Educational Activities	4.5	4.4	(0.1)	9.8	8.8	(1.0)
Net Investment Income	2.5	2.5	0.0	4.2	4.6	0.3
Other Operating Revenues/Gift Contributions for Operations	4.1	5.5	1.5	5.1	11.0	5.9
Total Revenues	52.4	55.0	2.5	100.2	106.6	6.4
Salaries and Wages/Payroll Related Costs	29.8	30.5	0.6	62.3	55.4	(6.9)
Utilities	1.2	0.9	(0.2)	3.2	2.6	(0.7)
Scholarships and Fellowships	6.8	6.4	(0.4)	13.0	12.9	(0.1)
Operations, Maintenance and Travel	16.5	15.7	(0.8)	25.6	31.5	5.8
Depreciation and Amortization	10.6	10.7	0.0	21.3	21.3	0.0
Total Expenses	\$ 65.0	64.2	(0.9)	125.5	123.7	(1.9)
Operating Margin	(12.6)	(9.2)	3.4	(25.3)	(17.1)	8.3
Cash Flow Margin (Excludes Depr & Amort Exp)	(1.9)	1.5	3.4	(4.0)	4.2	8.3

U. T. Permian Basin reported a year-to-date positive cash flow margin of \$1.5 million, an increase of \$3.4 million (175%) from the prior year. The increase was primarily attributable to the following: an increase in state appropriations due to new funding for the Healthcare Workforce Education program; and an increase in gift contributions for operations attributable to an increase in pledges as compared to the prior year. The most current projection received from U. T. Permian Basin reflects a cash flow margin of \$4.2 million for the year.

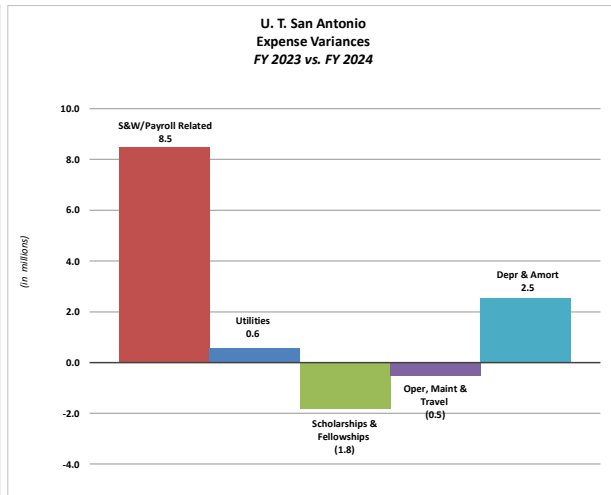
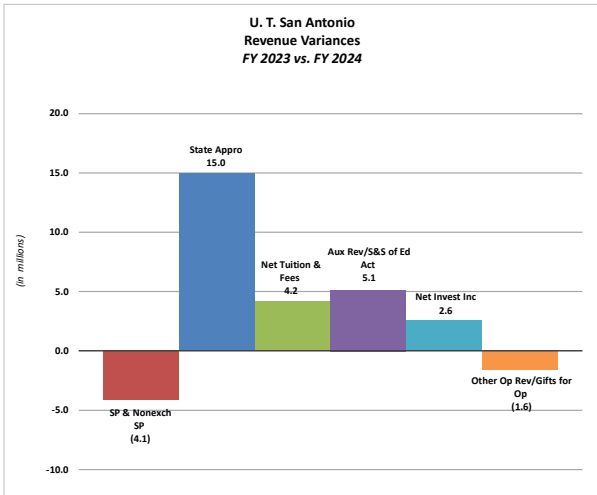
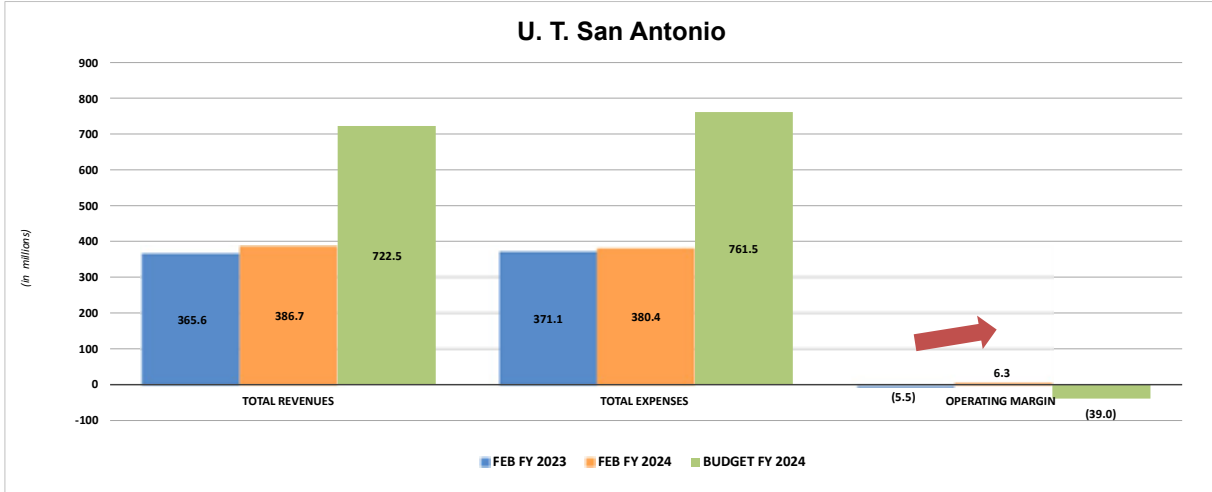
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 7.8	8.1	0.3	18.1	16.8	(1.3)
Sponsored Programs/Nonexchange Sponsored Programs	150.4	143.8	(6.6)	254.6	267.5	13.0
State Appropriations	89.6	92.9	3.3	189.8	185.8	(4.0)
Net Tuition and Fees	68.3	65.4	(3.0)	149.4	130.8	(18.7)
Auxiliary Revenues/Sales & Services of Educational Activities	12.8	13.8	1.0	20.2	21.6	1.4
Net Investment Income	9.0	12.5	3.6	20.4	20.8	0.4
Other Operating Revenues/Gift Contributions for Operations	12.3	14.4	2.1	17.4	23.3	5.9
Total Revenues	350.1	350.9	0.8	669.9	666.6	(3.3)
Salaries and Wages/Payroll Related Costs	229.1	232.3	3.2	470.7	465.5	(5.3)
Utilities	4.3	4.7	0.4	12.4	12.1	(0.3)
Scholarships and Fellowships	81.9	58.2	(23.7)	65.1	59.0	(6.2)
Operations, Maintenance and Travel	53.9	53.3	(0.7)	91.5	104.6	13.1
Depreciation and Amortization	30.2	30.7	0.5	65.2	65.5	0.4
Total Expenses	\$ 399.4	379.1	(20.2)	705.0	706.7	1.7
Operating Margin	(49.2)	(28.2)	21.0	(35.1)	(40.1)	(5.0)
Cash Flow Margin (Excludes Depr & Amort Exp)	(19.1)	2.4	21.5	30.1	25.5	(4.6)

U. T. Rio Grande Valley reported a year-to-date positive cash flow margin of \$2.4 million, an increase of \$21.5 million (113%) from the prior year. The increase was primarily due to the following: a decrease in scholarships and fellowships as a result of a decrease in institutionally funded scholarships; an increase in net investment income; an increase in gift contributions for operations attributable to an increase in gift activity as compared to the prior year; and an increase in auxiliary enterprises revenues due to increased food services revenue. The most current projection received from U. T. Rio Grande Valley reflects a cash flow margin of \$25.5 million for the year.

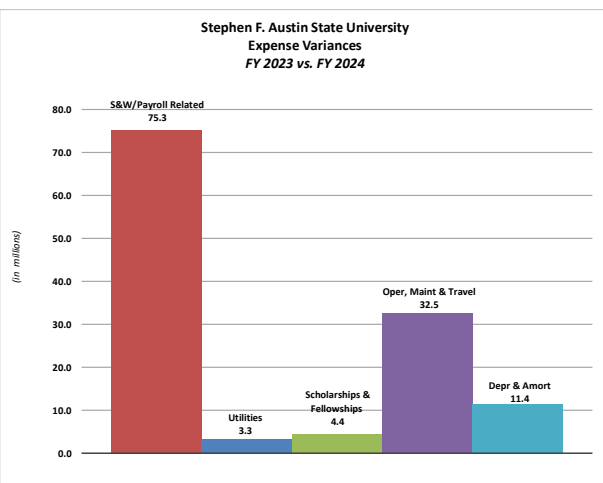
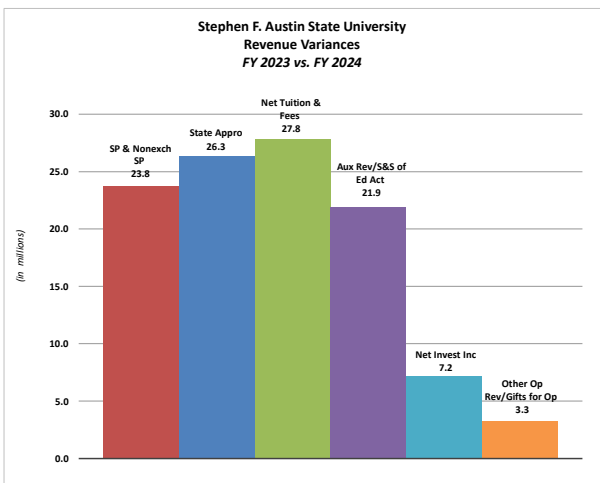
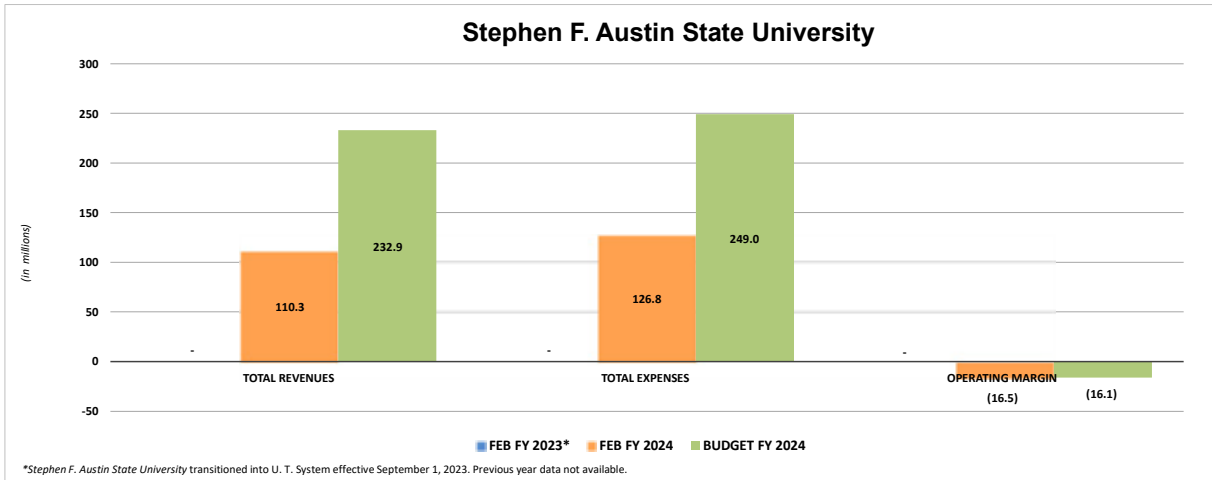
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 104.5	100.4	(4.1)	192.2	200.8	8.7
State Appropriations	76.3	91.2	15.0	178.2	182.4	4.2
Net Tuition and Fees	127.6	131.8	4.2	242.8	263.5	20.7
Auxiliary Revenues/Sales & Services of Educational Activities	36.6	41.7	5.1	75.4	83.4	8.0
Net Investment Income	13.4	16.0	2.6	24.4	31.9	7.5
Other Operating Revenues/Gift Contributions for Operations	7.3	5.6	(1.6)	9.5	11.3	1.7
Total Revenues	365.6	386.7	21.1	722.5	773.4	50.9
Salaries and Wages/Payroll Related Costs	207.8	216.3	8.5	425.3	433.1	7.7
Utilities	9.1	9.7	0.6	17.5	19.3	1.9
Scholarships and Fellowships	32.8	31.0	(1.8)	49.2	61.9	12.7
Operations, Maintenance and Travel	84.2	83.7	(0.5)	192.8	166.9	(26.0)
Depreciation and Amortization	37.2	39.7	2.5	76.6	79.5	2.9
Total Expenses	\$ 371.1	380.4	9.2	761.5	760.7	(0.8)
Operating Margin	(5.5)	6.3	11.9	(39.0)	12.7	51.7
Cash Flow Margin (Excludes Depr & Amort Exp)	31.7	46.1	14.4	37.7	92.2	54.6

U. T. San Antonio reported a year-to-date positive cash flow margin of \$46.1 million, an increase of \$14.4 million (45%) from the prior year. The increase was primarily attributable to the following: an increase in state appropriations due to the National Research Support Fund; an increase in auxiliary enterprises revenues as a result of an increase in on-campus activities; and an increase in net student tuition and fees attributable to increased enrollment. The most current projection received from U. T. San Antonio reflects a cash flow margin of \$92.2 million for the year.

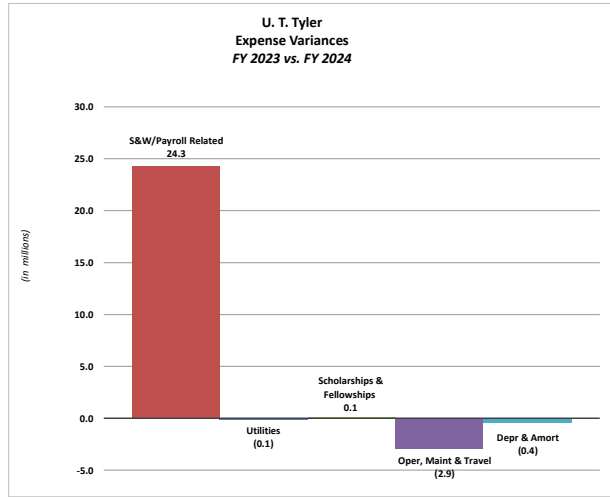
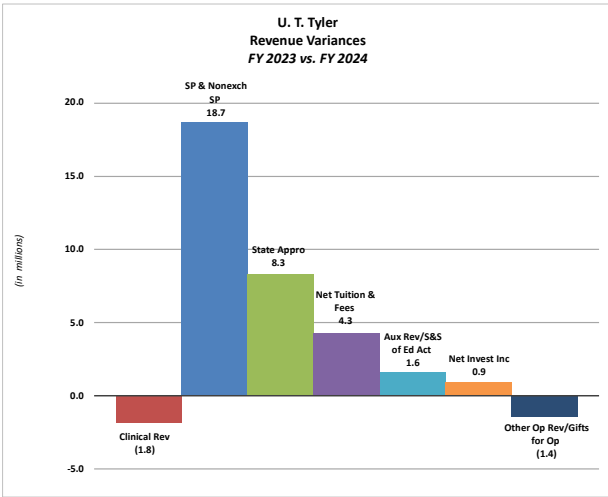
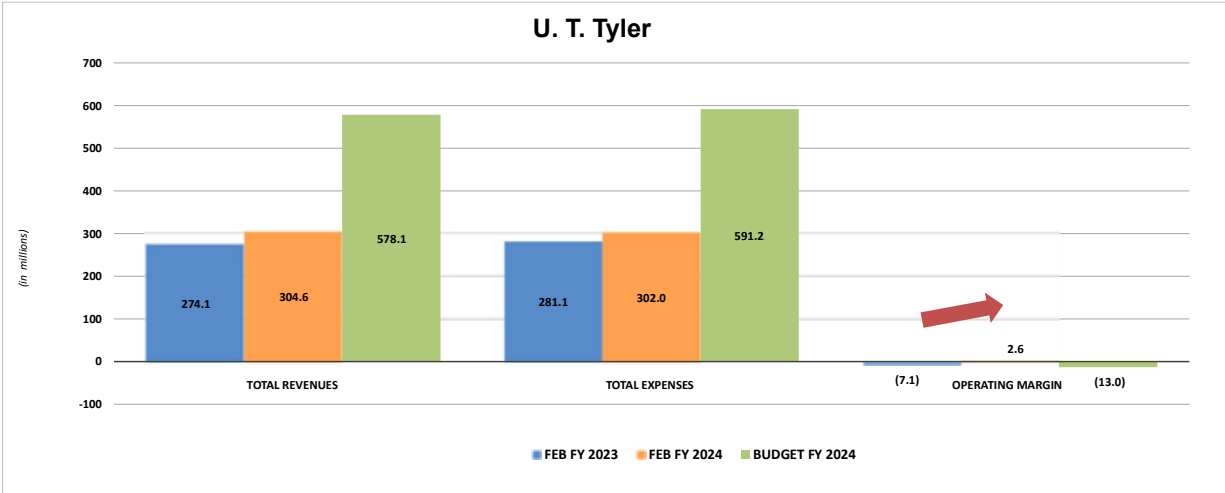
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ -	23.8	23.8	41.3	41.3	0.0
State Appropriations	-	26.3	26.3	52.7	52.7	0.0
Net Tuition and Fees	-	27.8	27.8	85.0	58.4	(26.6)
Auxiliary Revenues/Sales & Services of Educational Activities	-	21.9	21.9	33.0	39.8	6.8
Net Investment Income	-	7.2	7.2	8.7	10.9	2.3
Other Operating Revenues/Gift Contributions for Operations	-	3.3	3.3	12.3	11.2	(1.1)
Total Revenues	-	110.3	110.3	232.9	214.3	(18.7)
Salaries and Wages/Payroll Related Costs	-	75.3	75.3	134.3	139.1	4.9
Utilities	-	3.3	3.3	5.1	6.4	1.3
Scholarships and Fellowships	-	4.4	4.4	30.4	8.9	(21.5)
Operations, Maintenance and Travel	-	32.5	32.5	55.7	55.2	(0.6)
Depreciation and Amortization	-	11.4	11.4	23.5	22.0	(1.5)
Total Expenses	\$ -	126.8	126.8	249.0	231.6	(17.5)
Operating Margin	-	(16.5)	(16.5)	(16.1)	(17.3)	(1.2)
Cash Flow Margin (Excludes Depr & Amort Exp)	-	(5.1)	(5.1)	7.4	4.7	(2.7)

On August 24, 2023, the U. T. System Board of Regents formalized the action of transitioning Stephen F. Austin State University into the U. T. System effective September 1, 2023, in order to enhance Stephen F. Austin's financial position, foster enrollment growth, and increase opportunities for faculty, staff, and students to participate in new collaborations with other U. T. institutions to better serve Texas. Therefore, prior year data is not available.

**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**

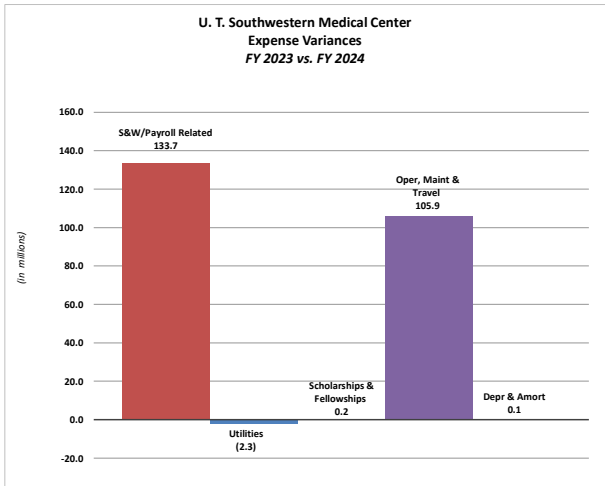
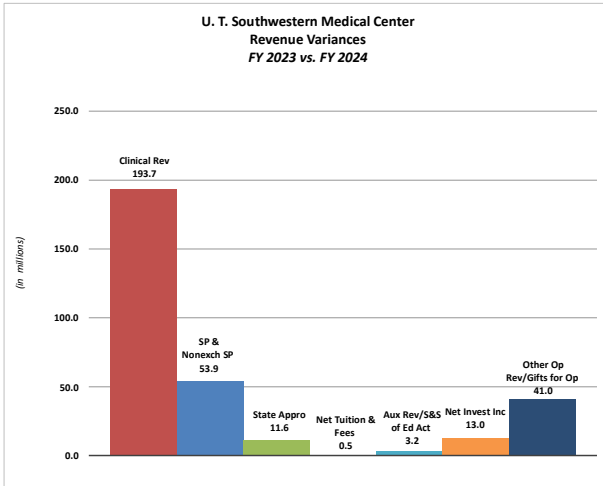
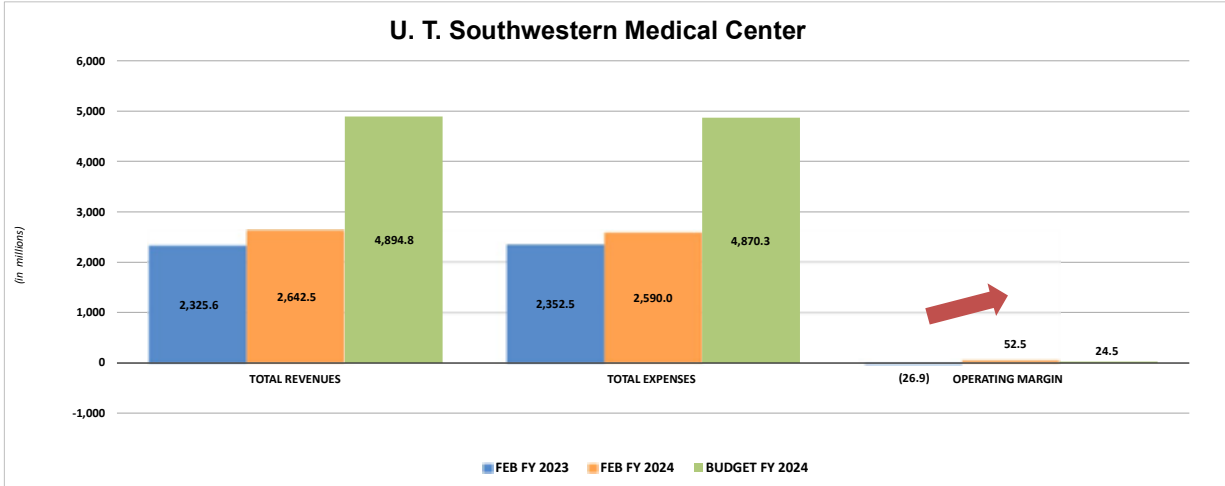


(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 98.8	97.0	(1.8)	193.4	194.1	0.7
Sponsored Programs/Nonexchange Sponsored Programs	71.7	90.4	18.7	150.9	151.7	0.8
State Appropriations	44.3	52.6	8.3	105.3	105.7	0.4
Net Tuition and Fees	29.1	33.4	4.3	59.9	59.9	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	15.9	17.5	1.6	27.7	30.4	2.7
Net Investment Income	7.7	8.6	0.9	12.7	16.6	3.8
Other Operating Revenues/Gift Contributions for Operations	6.5	5.1 *	(1.4)	28.3	24.9 *	(3.4)
Total Revenues	274.1	304.6	30.5	578.1	583.2	5.1
Salaries and Wages/Payroll Related Costs	173.6	198.0	24.3	368.8	379.8	11.0
Utilities	2.9	2.8	(0.1)	6.1	6.1	0.0
Scholarships and Fellowships	8.9	9.0	0.1	15.4	15.4	0.0
Operations, Maintenance and Travel	77.9	75.0	(2.9)	164.0	157.1	(6.8)
Depreciation and Amortization	17.7	17.3	(0.4)	36.9	36.9	0.0
Total Expenses	\$ 281.1	302.0	20.9	591.2	595.3	4.2
Operating Margin	(7.1)	2.6	9.6	(13.0)	(12.1)	0.9
Cash Flow Margin (Excludes Depr & Amort Exp)	10.6	19.8	9.2	23.8	24.7	0.9

*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$3.7 million through February. U. T. Tyler's year-end projection includes \$4.5 million of UTHET's net adjusted income for the year.

U. T. Tyler reported a year-to-date positive cash flow margin of \$19.8 million, an increase of \$9.2 million (87%) from the prior year. The increase was primarily due to the following: an increase in net student tuition and fees attributable to increased enrollment; a decrease in operations, maintenance and travel as a result of a decrease in materials and supplies as a result of a 340B Drug Pricing Program refund received for pharmacy drug overcharges; an increase in auxiliary enterprises revenue associated with enrollment growth; and an increase in net investment income. The most current projection received from U. T. Tyler reflects a cash flow margin of \$24.7 million for the year.

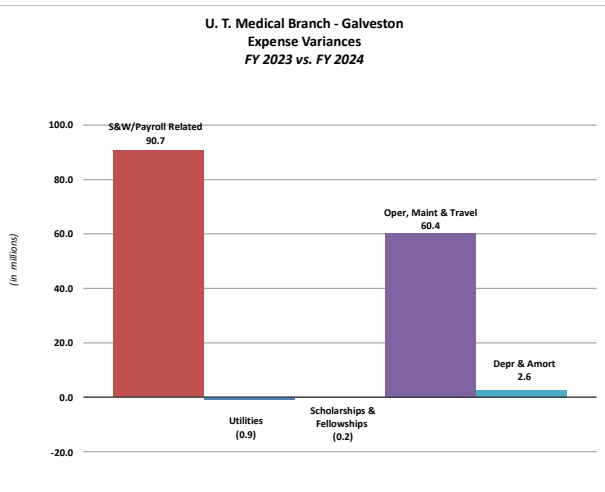
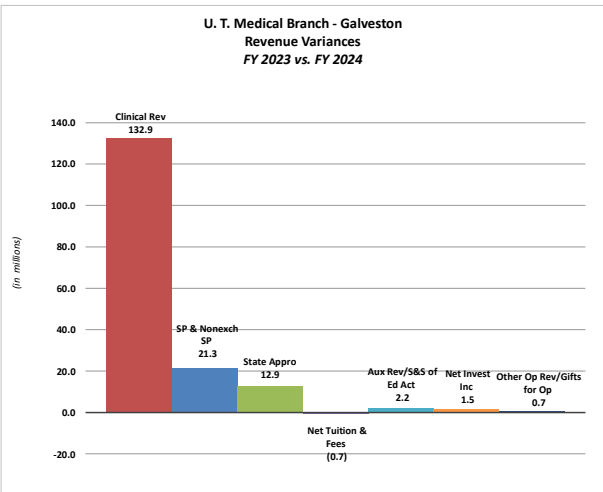
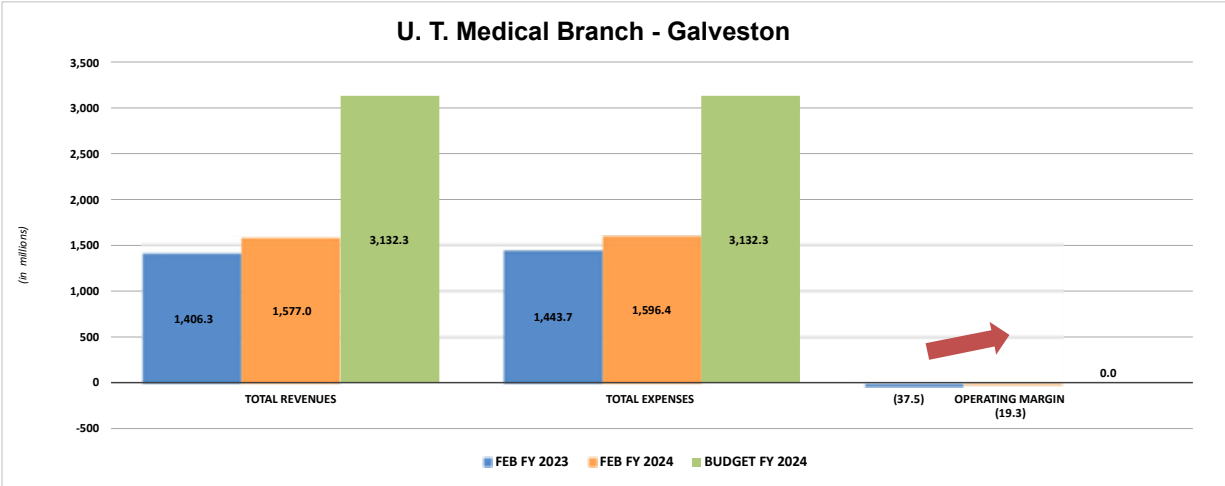
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 1,526.5	1,720.2	193.7	3,233.0	3,347.1	114.1
Sponsored Programs/Nonexchange Sponsored Programs	420.2	474.1	53.9	877.2	950.8	73.6
State Appropriations	95.8	107.4	11.6	225.7	217.4	(8.3)
Net Tuition and Fees	14.1	14.7	0.5	28.7	28.5	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	22.7	25.8	3.2	42.8	45.8	3.0
Net Investment Income	98.7	111.7	13.0	186.4	187.9	1.4
Other Operating Revenues/Gift Contributions for Operations	147.5	188.5	41.0	301.0	398.2	97.3
Total Revenues	2,325.6	2,642.5	316.9	4,894.8	5,175.7	280.9
Salaries and Wages/Payroll Related Costs	1,488.4	1,622.1	133.7	3,099.7	3,269.6	169.9
Utilities	17.4	15.1	(2.3)	31.6	32.3	0.7
Scholarships and Fellowships	1.6	1.8	0.2	7.1	1.3	(5.8)
Operations, Maintenance and Travel	705.1	811.0	105.9	1,443.1	1,564.8	121.7
Depreciation and Amortization	139.9	140.0	0.1	288.9	276.2	(12.7)
Total Expenses	\$ 2,352.5	2,590.0	237.5	4,870.3	5,144.2	273.8
Operating Margin	(26.9)	52.5	79.4	24.5	31.5	7.1
Cash Flow Margin (Excludes Depr & Amort Exp)	113.1	192.5	79.4	313.3	307.7	(5.6)

U. T. Southwestern Medical Center reported a year-to-date positive cash flow margin of \$192.5 million, an increase of \$79.4 million (70%) from the prior year. The increase was primarily due to an increase in clinical revenues as a result of increased inpatient and outpatient visits, and increased admissions and surgical volumes. The most current projection received from U. T. Southwestern Medical Center reflects a cash flow margin of \$307.7 million for the year.

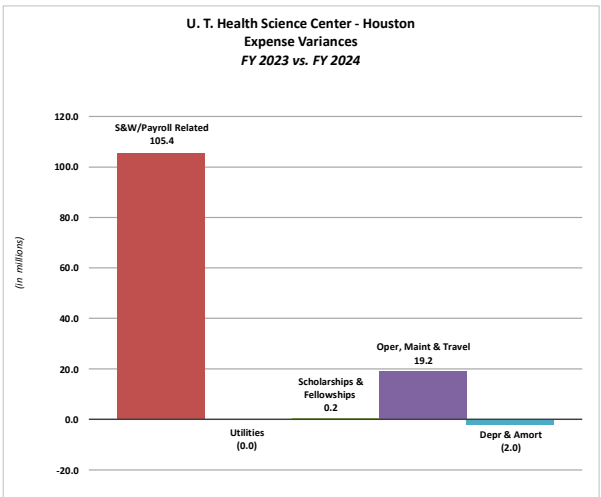
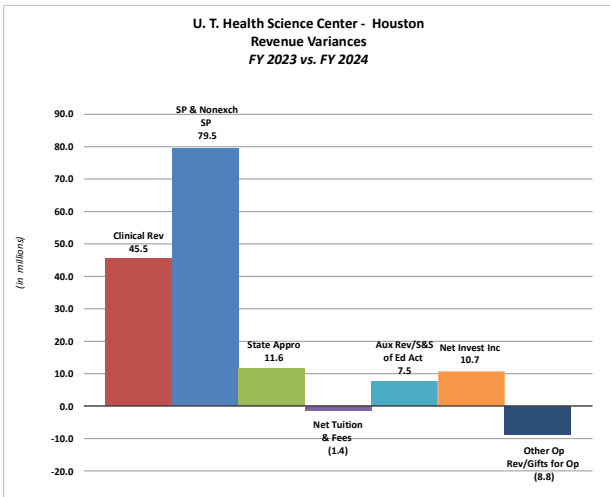
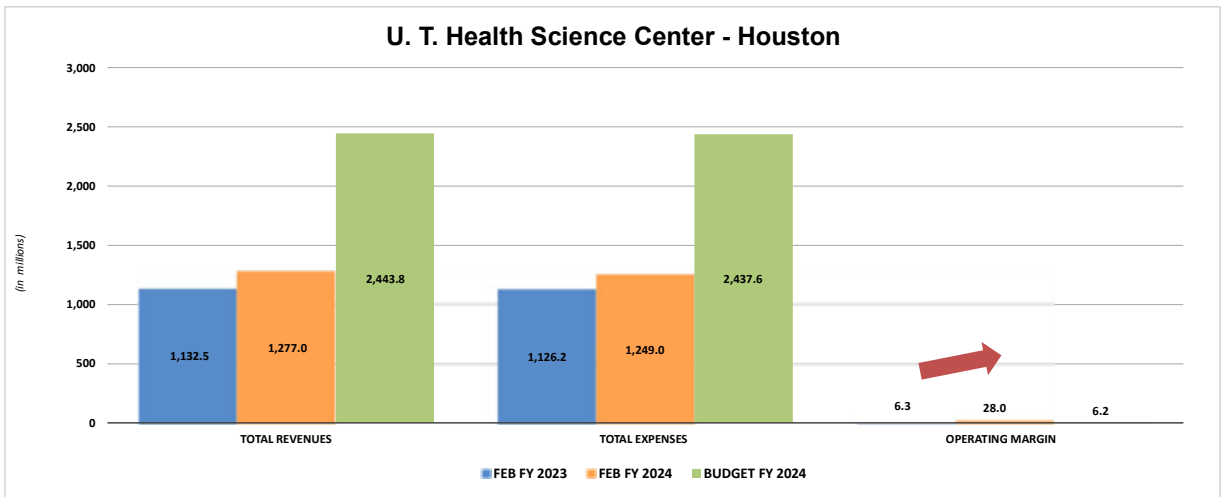
**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 949.2	1,082.1	132.9	2,128.7	2,127.7	(1.0)
Sponsored Programs/Nonexchange Sponsored Programs	127.6	148.9	21.3	293.5	288.2	(5.4)
State Appropriations	181.8	194.6	12.9	388.9	387.4	(1.4)
Net Tuition and Fees	26.7	26.0	(0.7)	50.6	51.3	0.6
Auxiliary Revenues/Sales & Services of Educational Activities	13.4	15.5	2.2	25.0	31.9	6.8
Net Investment Income	40.9	42.4	1.5	78.8	80.5	1.7
Other Operating Revenues/Gift Contributions for Operations	66.7	67.4	0.7	166.7	187.7	21.0
Total Revenues	1,406.3	1,577.0	170.8	3,132.3	3,154.6	22.3
Salaries and Wages/Payroll Related Costs	879.9	970.6	90.7	1,902.7	1,935.9	33.2
Utilities	17.1	16.2	(0.9)	46.4	35.3	(11.2)
Scholarships and Fellowships	6.0	5.8	(0.2)	13.3	15.9	2.6
Operations, Maintenance and Travel	430.0	490.4	60.4	947.2	940.3	(6.9)
Depreciation and Amortization	110.8	113.4	2.6	222.7	227.2	4.5
Total Expenses	\$ 1,443.7	1,596.4	152.6	3,132.3	3,154.6	22.3
Operating Margin	(37.5)	(19.3)	18.1	0.0	(0.0)	(0.0)
Cash Flow Margin (Excludes Depr & Amort Exp)	73.3	94.1	20.8	222.7	227.2	4.5

U. T. Medical Branch - Galveston reported a year-to-date positive cash flow margin of \$94.1 million, an increase of \$20.8 million (28%) from the prior year. The increase was primarily attributable to an increase in clinical revenues due to an increase in patient volume, as well as a favorable rate and case mix index. The most current projection received from U. T. Medical Branch - Galveston reflects a cash flow margin of \$227.2 million for the year.

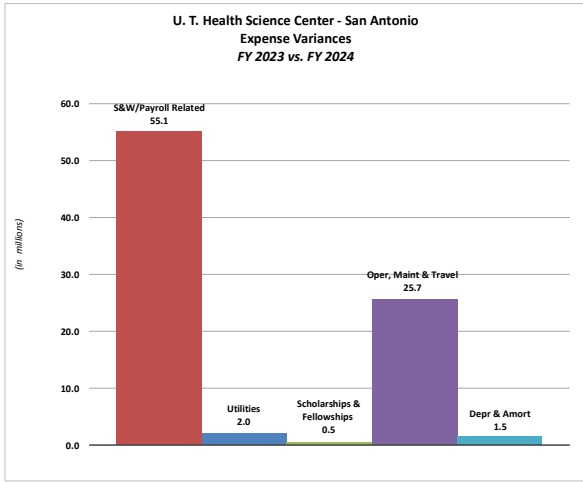
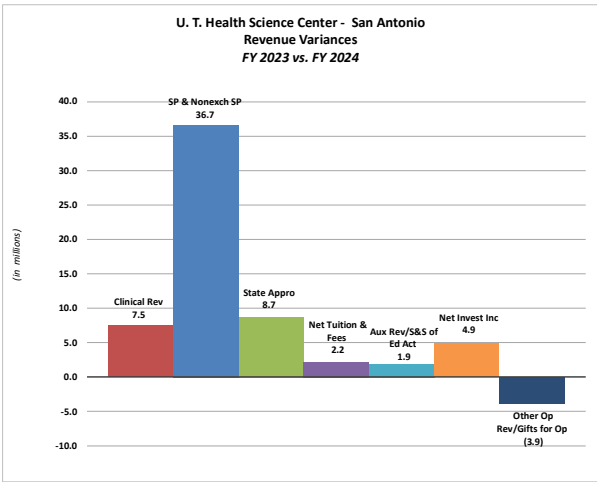
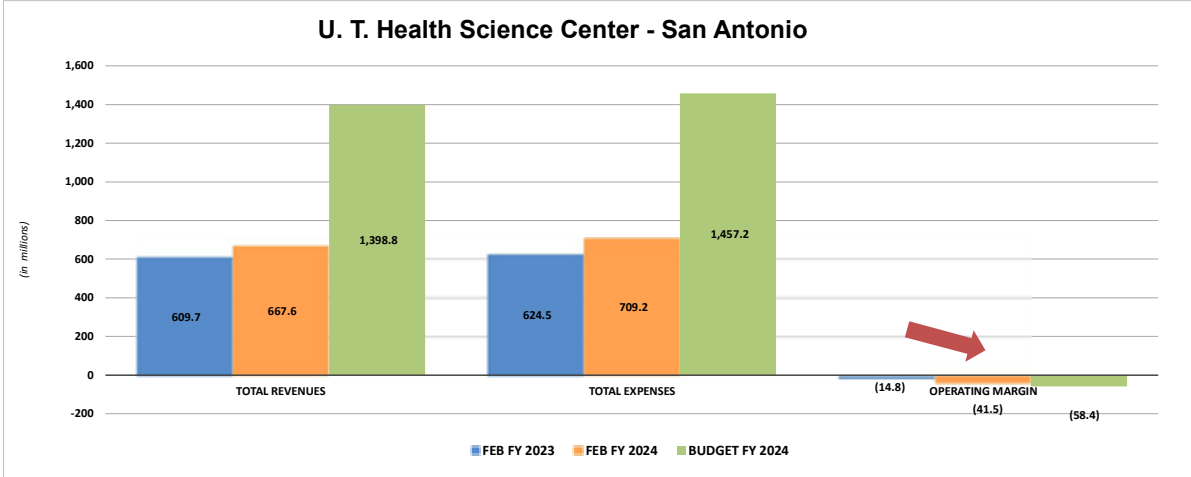
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 312.8	358.3	45.5	685.8	725.4	39.6
Sponsored Programs/Nonexchange Sponsored Programs	534.1	613.6	79.5	1,178.4	1,242.1	63.7
State Appropriations	113.2	124.8	11.6	256.1	248.9	(7.2)
Net Tuition and Fees	38.7	37.3	(1.4)	72.9	72.7	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	35.2	42.7	7.5	56.7	79.4	22.7
Net Investment Income	53.2	63.9	10.7	92.4	115.8	23.3
Other Operating Revenues/Gift Contributions for Operations	45.2	36.4	(8.8)	101.5	87.5	(13.9)
Total Revenues	1,132.5	1,277.0	144.5	2,443.8	2,571.8	128.0
Salaries and Wages/Payroll Related Costs	879.2	984.6	105.4	1,895.5	1,986.6	91.0
Utilities	7.1	7.1	(0.0)	16.7	14.3	(2.5)
Scholarships and Fellowships	4.5	4.7	0.2	11.4	9.4	(2.0)
Operations, Maintenance and Travel	178.0	197.2	19.2	429.1	395.4	(33.7)
Depreciation and Amortization	57.4	55.4	(2.0)	85.0	113.3	28.3
Total Expenses	\$ 1,126.2	1,249.0	122.8	2,437.6	2,518.9	81.3
Operating Margin	6.3	28.0	21.7	6.2	52.9	46.7
Cash Flow Margin (Excludes Depr & Amort Exp)	63.7	83.4	19.7	91.1	166.2	75.1

U. T. Health Science Center - Houston reported a year-to-date positive cash flow margin of \$83.4 million, an increase of \$19.7 million (31%) from the prior year. The increase was primarily due to an increase in sponsored programs largely attributable to an increase in contractual revenues from Memorial Hermann Healthcare System. The most current projection received from U. T. Health Science Center - Houston reflects a cash flow margin of \$166.2 million for the year.

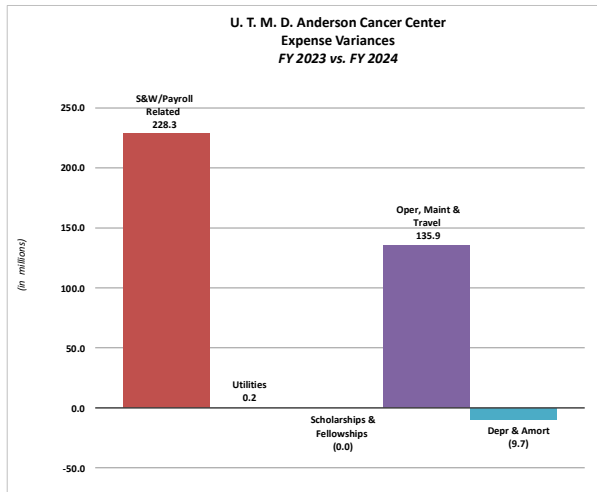
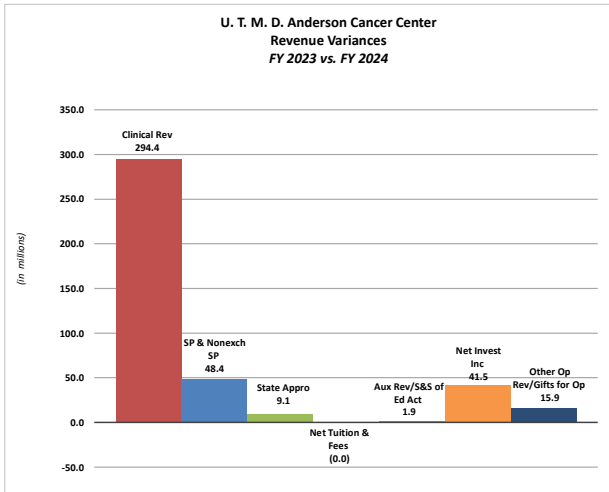
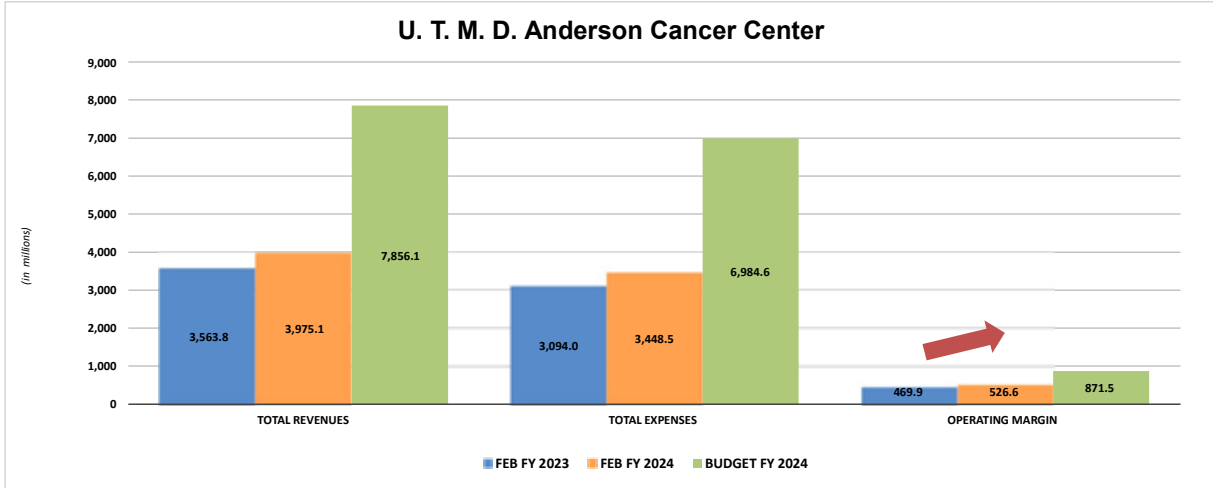
Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 174.6	182.1	7.5	380.1	381.8	1.7
Sponsored Programs/Nonexchange Sponsored Programs	245.5	282.2	36.7	586.6	586.9	0.3
State Appropriations	91.7	100.4	8.7	224.4	224.0	(0.5)
Net Tuition and Fees	27.7	29.9	2.2	61.3	61.1	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	14.8	16.6	1.9	31.2	31.9	0.7
Net Investment Income	30.8	35.7	4.9	58.7	61.8	3.0
Other Operating Revenues/Gift Contributions for Operations	24.7	20.8	(3.9)	56.4	60.2	3.7
Total Revenues	609.7	667.6	57.9	1,398.8	1,407.6	8.8
Salaries and Wages/Payroll Related Costs	411.7	466.7	55.1	956.1	963.5	7.4
Utilities	8.8	10.8	2.0	20.9	21.7	0.8
Scholarships and Fellowships	5.2	5.7	0.5	14.1	14.1	0.0
Operations, Maintenance and Travel	164.5	190.2	25.7	391.2	391.8	0.5
Depreciation and Amortization	34.2	35.8	1.5	74.8	74.8	(0.0)
Total Expenses	624.5	709.2	84.7	1,457.2	1,466.0	8.8
Operating Margin	(14.8)	(41.5)	(26.8)	(58.4)	(58.4)	0.0
Cash Flow Margin (Excludes Depr & Amort Exp)	19.5	(5.8)	(25.3)	16.4	16.5	0.0

U. T. Health Science Center - San Antonio incurred a year-to-date cash flow margin loss of \$5.8 million, a decrease of \$25.3 million (130%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with clinical volume and research growth. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a cash flow margin of \$16.5 million for the year.

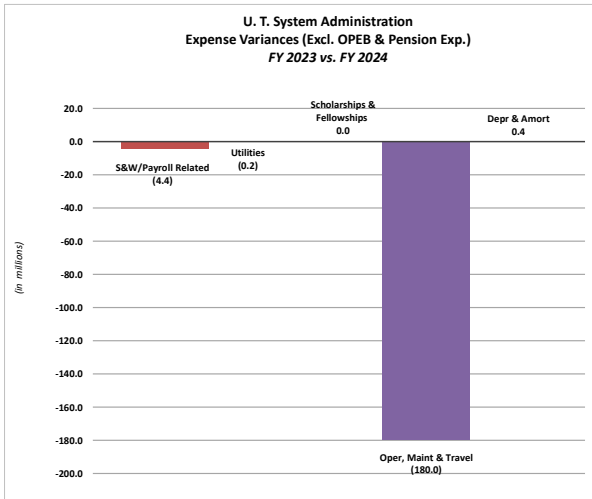
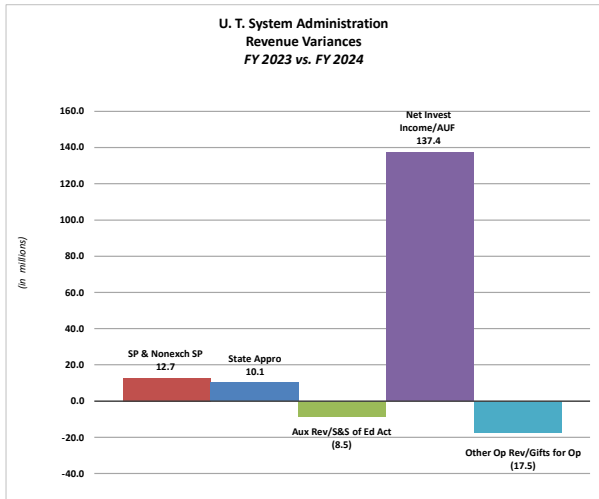
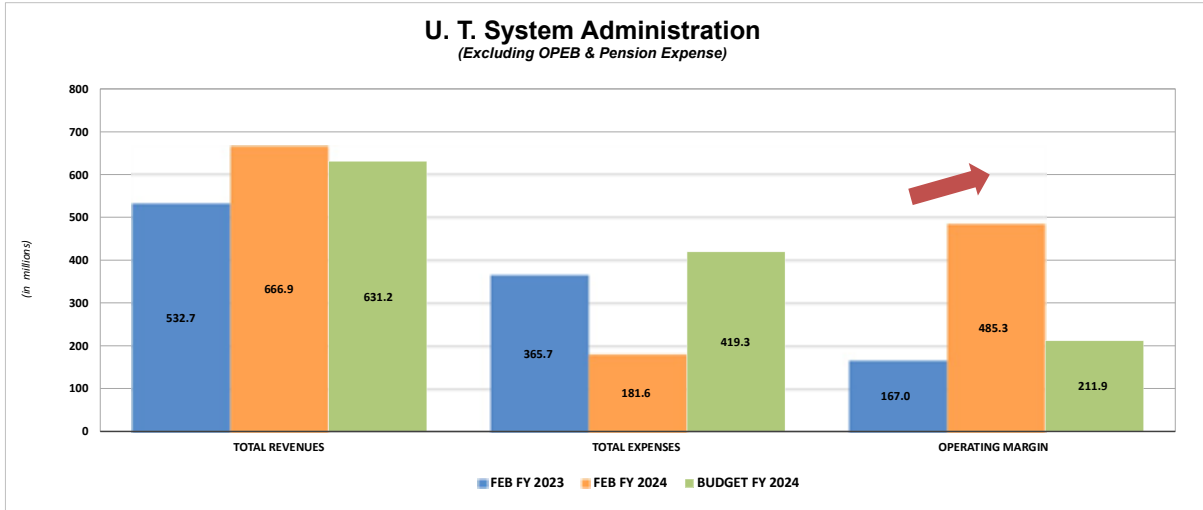
**Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024**



(in millions)	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Clinical Revenues	\$ 2,806.1	3,100.5	294.4	6,324.2	6,480.2	156.0
Sponsored Programs/Nonexchange Sponsored Programs	276.5	324.9	48.4	606.6	626.0	19.3
State Appropriations	104.6	113.7	9.1	223.0	223.0	0.0
Net Tuition and Fees	1.5	1.5	(0.0)	2.1	2.1	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	20.4	22.3	1.9	41.1	41.1	0.0
Net Investment Income	227.3	268.8	41.5	400.8	450.0	49.2
Other Operating Revenues/Gift Contributions for Operations	127.5	143.3	15.9	258.2	281.9	23.7
Total Revenues	3,563.8	3,975.1	411.2	7,856.1	8,104.2	248.2
Salaries and Wages/Payroll Related Costs	1,724.9	1,953.2	228.3	3,642.0	3,747.0	105.0
Utilities	24.0	24.2	0.2	52.1	52.1	0.0
Scholarships and Fellowships	0.2	0.2	(0.0)	3.6	3.6	0.0
Operations, Maintenance and Travel	1,158.6	1,294.4	135.9	2,920.3	2,985.0	64.6
Depreciation and Amortization	186.2	176.5	(9.7)	366.4	366.4	0.0
Total Expenses	\$ 3,094.0	3,448.5	354.5	6,984.6	7,154.2	169.6
Operating Margin	469.9	526.6	56.7	871.5	950.1	78.6
Cash Flow Margin (Excludes Depr & Amort Exp)	656.1	703.1	47.0	1,237.9	1,316.5	78.6

U. T. M. D. Anderson Cancer Center reported a year-to-date positive cash flow margin of \$703.1 million, an increase of \$47.0 million (7%) from the prior year. The increase was primarily due to an increase in clinical revenues attributable to an increase in admissions, patient days, outpatient visits, and surgeries. The most current projection received from U. T. M. D. Anderson Cancer Center reflects a cash flow margin of \$1,316.5 million for the year.

Monthly Financial Report
Comparison of Operating Results, Margin, Budget and Projected Year-End
For the Period Ending February 29, 2024



<i>(in millions)</i>	February YTD FY 2023	February YTD FY 2024	Variance	FY 2024 Budget	Annual Projected FY 2024	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 15.6	28.2	12.7	48.6	52.9	4.3
State Appropriations	3.5	13.6	10.1	29.4 *	27.2	(2.2)
Auxiliary Revenues/Sales & Services of Educational Activities	9.8	1.4	(8.5)	3.1	2.7	(0.3)
Net Investment Income/Available University Fund (AUF)	484.5	621.9	137.4	544.5	636.1	91.6
Other Operating Revenues/Gift Contributions for Operations	19.4	1.9	(17.5)	5.7	3.6	(2.2)
Total Revenues	532.7	666.9	134.1	631.2	722.5	91.3
Salaries and Wages/Payroll Related Costs	30.9	26.5	(4.4)	55.1	52.9	(2.1)
Utilities	0.2	0.1	(0.2)	0.5	0.1	(0.4)
Scholarships and Fellowships	0.1	0.1	0.0	2.3	0.2	(2.0)
Operations, Maintenance and Travel	323.1	143.1	(180.0)	343.9 *	304.3	(39.6)
Depreciation and Amortization	11.5	11.8	0.4	17.6	23.7	6.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 365.7	181.6	(184.1)	419.3	381.3	(38.0)
Operating Margin (Excluding OPEB & Pension Exp)	167.0	485.3	318.2	211.9	341.2	129.3
Cash Flow Margin (Excluding OPEB, Pension, Depr & Amort Exp)	178.5	497.1	318.6	229.5	364.9	135.4

*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding OPEB, pension, and depreciation expense, *U. T. System Administration* reported a positive cash flow margin of \$497.1 million, an increase of \$318.6 million (178%) from the prior year. The increase was primarily attributable to the following: a decrease in operations, maintenance and travel as a result of a decrease in claims and losses, as well as a decrease in insurance costs/premiums, due to a change in methodology beginning in December 2023 related to the exclusion of service department revenue and expense to align with the budget, which is net of service department activity; and an increase in net investment income as a result of an increase in the Internal Lending Program (ILP) attributable to *U. T. System Administration's* termination of one of its fixed-payer swaps with Citibank. The most current projection, excluding OPEB, pension, and depreciation expense, reflects a cash flow margin of \$364.9 million for the year.

5. U. T. System: University Lands Update

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

University Lands Update

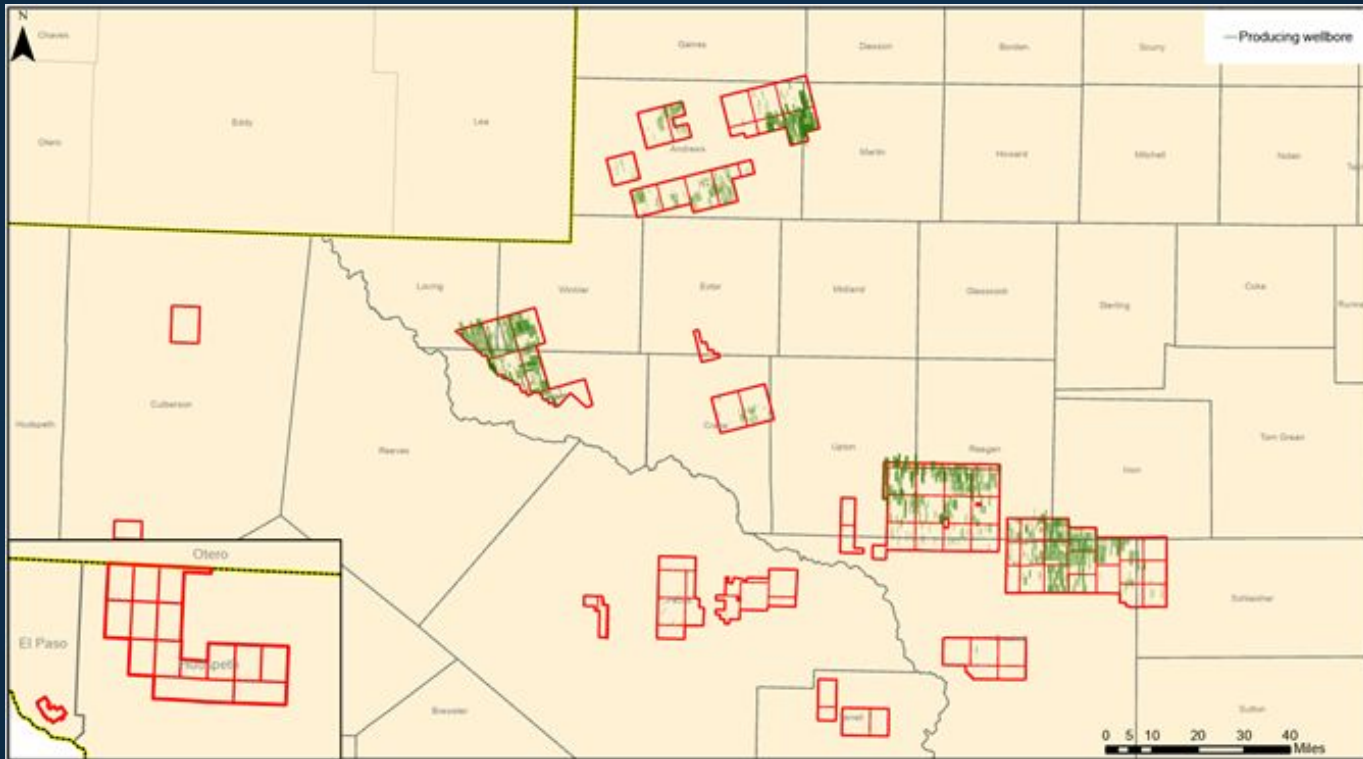
William R. “Billy” Murphy, Jr., Chief Executive Officer

U. T. System Board of Regents Meeting
Finance and Planning Committee
May 2024



The University of
Texas System

Oil & Gas Production on Permanent University Fund (PUF) Lands



FY 2024 Gross Oil Production and Average Oil Price

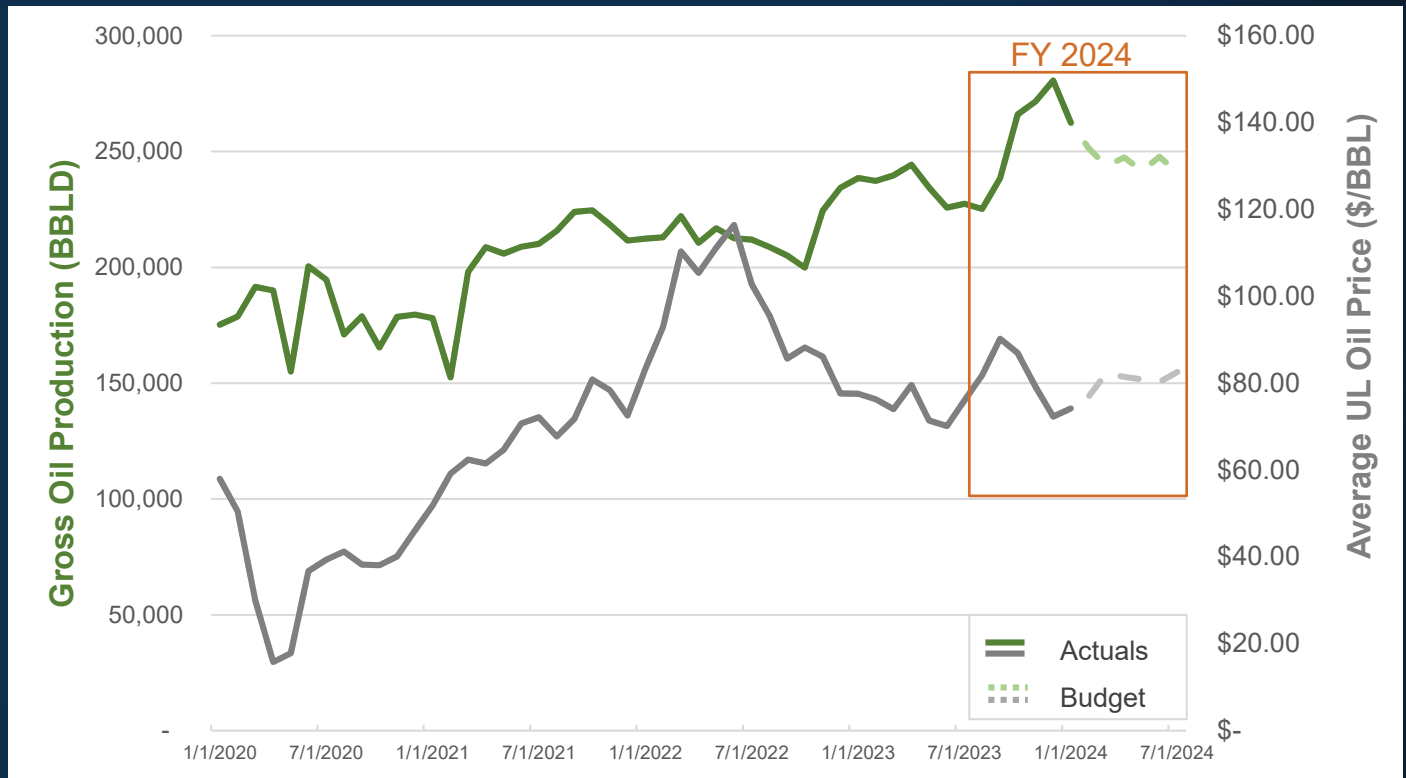
FY24 Projected Total
\$1.8B

Mineral Only
(oil and gas prod)
\$898M

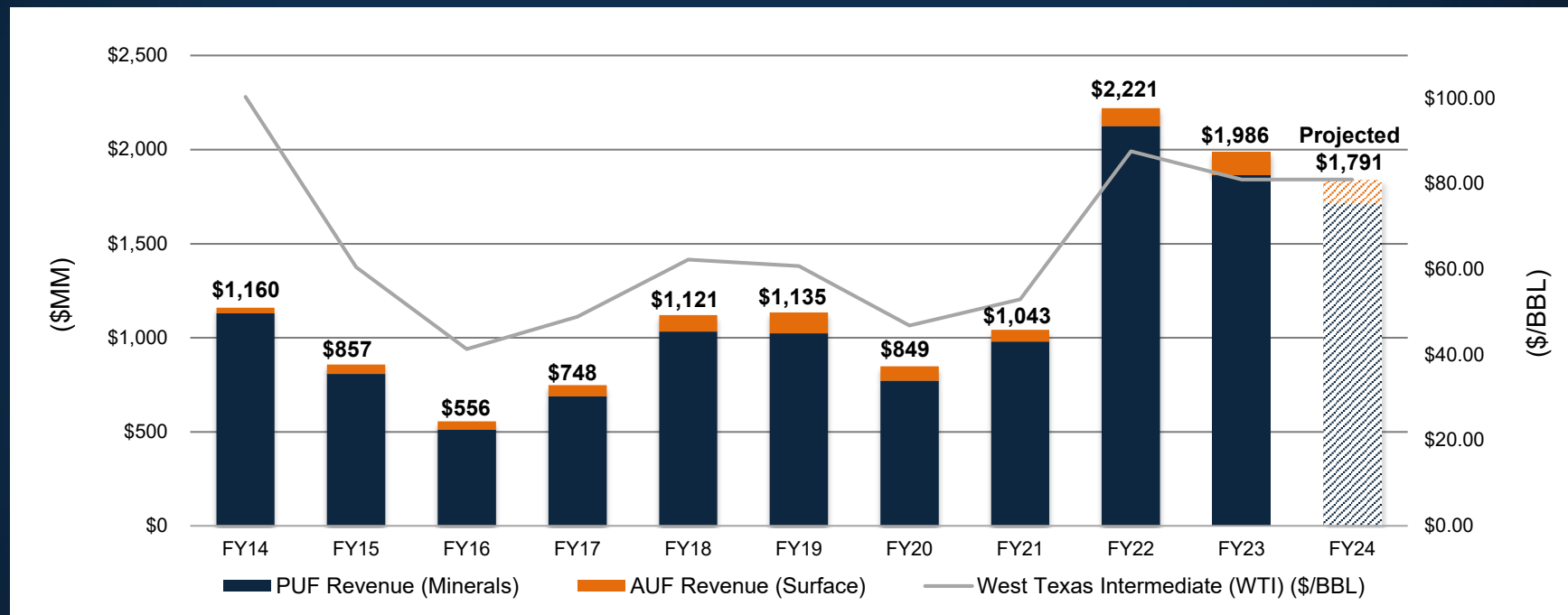
UL Oil Price Forecast
\$80

UL Dry Gas Forecast
\$1.50




UL NGL Forecast
\$22



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



University Lands Oil and Gas Market Environment

Production	
Oil Pricing	
Gas Pricing	

- Permian Basin remains the preferred basin for investment capital
- Current oil and liquids prices are sufficient to allow near term cash flows in unconventional oil plays
- Current gas price restrains development of gas prone areas

University Lands 2024 Priorities

Mission Statement

To maximize the revenue from the Permanent University Fund (PUF) Lands, protect the interests of The University of Texas System and promote awareness and sensitivity for the environment.

- Proactive approach to Southern Midland Basin Development
- Creation of dedicated Emerging Energy team
- Focus on surface strategies that enhance the ability to generate revenue for the AUF