

General Analysis – Finance

Major revenue sources for U. T. System institutions include state appropriations, government grants and contracts, tuition & fees for the academic institutions, and sales and services of hospitals for the health institutions.

The percent of revenues from state appropriations continues to decline relative to total revenues.

- In FY 2008, state appropriations accounted for 24.1% of the academic institutions' revenue, down from 27.4% in FY 2004.
- State appropriations accounted for 14.3% of the health institutions' revenue in FY 2008, down from 16.4% in FY 2004.
- When adjusted for inflation, state appropriations per full-time equivalent (FTE) student decreased between FY 2002 and FY 2008 at every academic institution except U. T. Permian Basin.

In fall 2008, the largest categories of expenses for all U. T. System institutions are hospitals and clinics, instruction, institutional support and physical plant, and research.

- From FY 2004 to FY 2008, operating expenses for hospitals and clinics increased 40.2%, from \$2.04 billion to \$2.87 billion; instruction increased 27.3%, from \$1.9 billion in FY 2004 to \$2.43 billion; institutional support and physical plant expenses increased 85.5%, from \$971 million to \$1.8 billion in FY 2008 (some of this increase was a result of a change in post employment benefits reporting requirements in FY 2008); and research expenses increased 41.0%, from \$1.21 billion in FY 2004 to \$1.71 billion.

Prior to the economic downturn in fall 2008, endowments for the U. T. System increased 48% between FY 2004 and FY 2008.

- For the academic institutions, endowments increased from \$5.16 billion to \$7.56 billion from FY 2004 to FY 2008, a 46.6 percent increase, and by 60.3 percent from \$1.9 billion to \$3.1 billion for the health institutions.

Donor support increased for U. T. academic and health institutions between FY 2004 and FY 2008.

- Donor support increased at seven of the nine academic institutions and total donor support increased from \$315 million in FY 2004 to \$360 million in FY 2008, a 14.4 percent increase. Donor support increased at three of the six health institutions and total support increased from \$334 million in FY 2004 to \$440 million in FY 2008, a 31.8 percent increase.

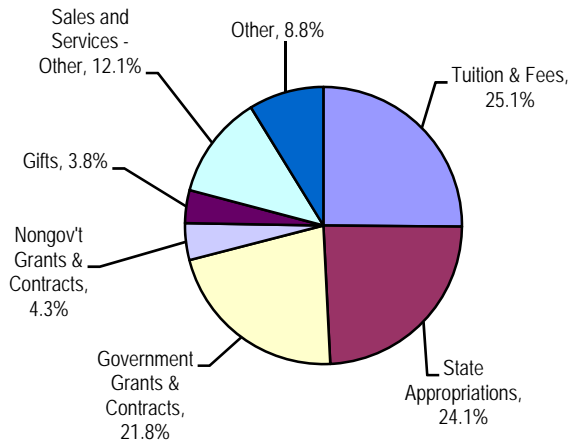
U. T. System health institutions generate revenue from hospital patient care. Faculty also provide a significant amount of unsponsored charity care in state-owned and affiliated facilities.

- Patient care revenue in FY 2007 was \$3.38 billion, an increase of 75.2 percent over FY 2003.
- Total charges for unsponsored charity care provided by U. T. System faculty and hospitals were over \$1.3 billion in FY 2007.

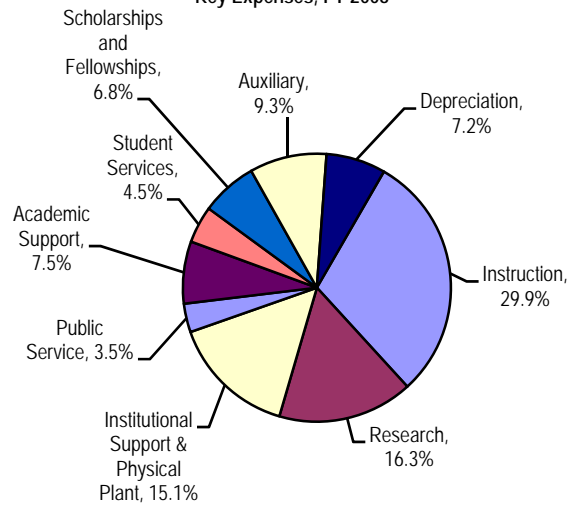
The amount of money expended for administrative costs relative to total expenses was 7.0% for academic institutions and 5.7% at health institutions in FY 2008.

Finance Information

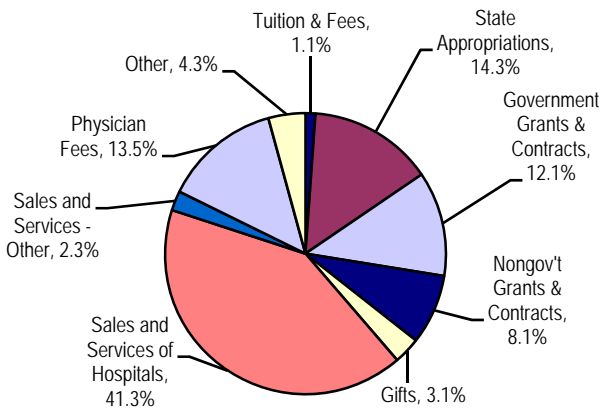
Academic Institutions
 Key Revenues, FY 2008



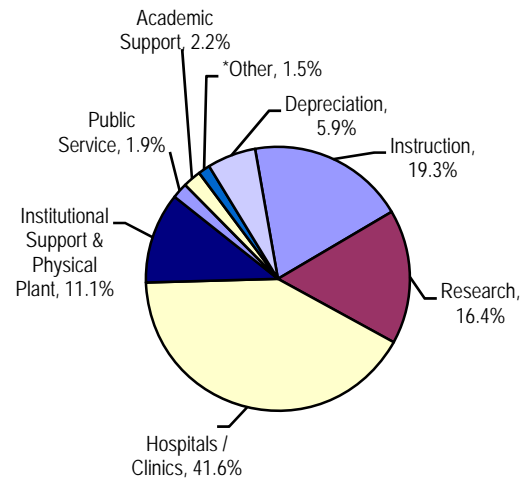
Academic Institutions
 Key Expenses, FY 2008



Health Institutions
 Key Revenues, FY 2008

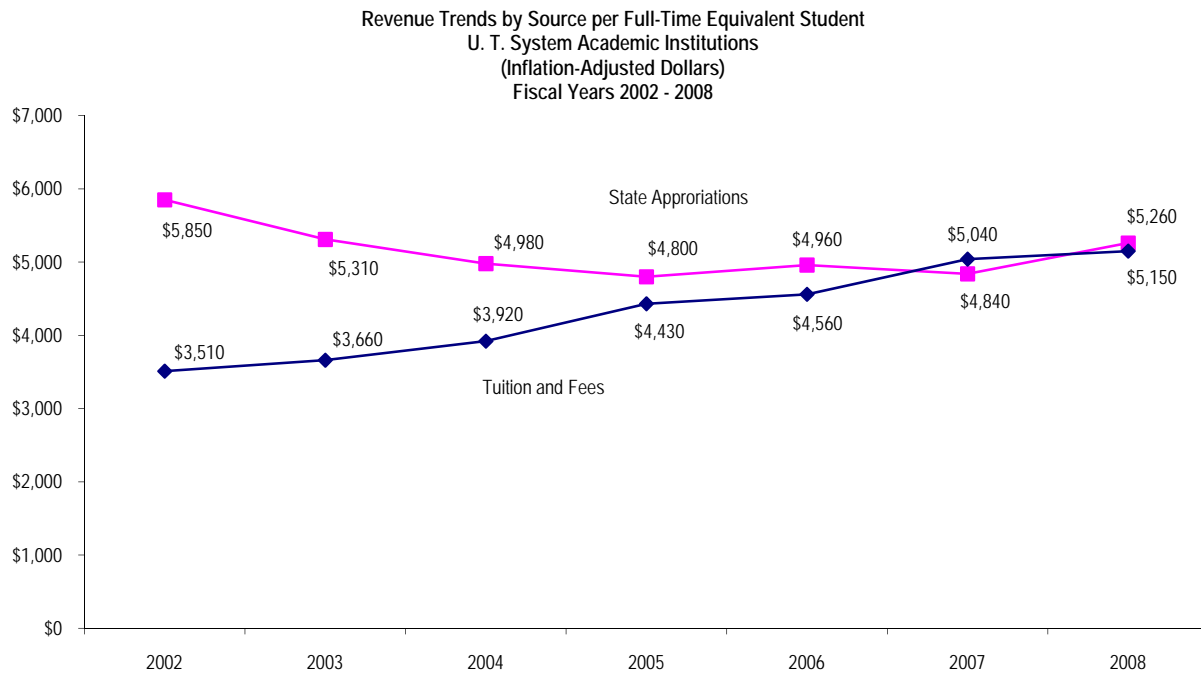


Health Institutions
 Key Expenses, FY 2008



*Other includes Student Services, Scholarships and Fellowships, and Auxiliary

Finance Information



Notes: U. T. System totals do not include U. T. Brownsville.

Tuition and fee revenue is net of scholarship and fellowship discounts and waivers.

State Appropriations include general revenue support from the State of Texas for instruction and operations, infrastructure support, special items, tuition revenue bond debt service, and group health insurance and employee benefits.

All revenue and expense data were adjusted to the FY 2002 base year for inflation using the Consumer Price Index - Urban (CPI - U) for September of each year.

Source: FY 2002-FY 2008 Annual Financial Reports (AFR)

KEY REVENUES AND EXPENSES BY SOURCE AND PURPOSE U. T. System

Consolidated Totals (\$ in thousands)						
	FY	03-04	04-05	05-06	06-07	07-08
Revenues¹						
Tuition & Fees		\$675,107	\$786,461	\$854,461	\$968,296	\$1,024,009
State Appropriations		1,578,062	1,557,538	1,735,758	1,760,723	1,956,650
Government Grants & Contracts		1,396,363	1,461,008	1,559,208	1,587,736	1,697,233
Nongovernment Grants & Contracts		520,438	513,787	577,538	658,823	711,533
Gifts		181,915	265,764	254,782	284,498	368,786
Sales and Services of Hospitals		1,889,355	2,302,552	2,574,851	2,763,559	3,016,628
Sales and Services - Other		468,920	534,330	552,414	635,895	635,773
Physician Fees		701,117	772,366	793,311	1,012,411	982,678
Other		1,708,466	2,019,351	1,711,789	1,980,859	1,743,812
Total System Revenues		\$9,119,743	\$10,213,157	\$10,614,112	\$11,652,802	\$12,137,103
Expenses						
Instruction		\$1,909,495	\$2,110,017	\$2,257,109	\$2,384,323	\$2,430,473
Research		1,216,147	1,317,751	1,435,286	1,542,920	1,714,568
Hospitals / Clinics		2,044,783	2,371,851	2,512,902	2,635,149	2,866,500
Institutional Support & Physical Plant ²		971,879	1,048,399	1,161,130	1,189,247	1,802,468
Public Service		209,085	216,724	223,373	222,109	257,963
Academic Support		255,754	276,399	353,541	390,409	423,835
Student Services		123,292	133,023	146,053	157,350	177,553
Scholarships and Fellowships		200,034	208,768	223,085	257,277	260,578
Auxiliary		289,906	327,378	351,665	373,634	401,932
Depreciation		372,830	477,825	557,751	626,913	679,831
Interest Expense		90,945	135,005	170,568	157,987	161,687
Total System Expenses		\$7,684,150	\$8,623,140	\$9,392,463	\$9,937,317	\$11,177,387

¹ These represent revenues reported on the U. T. System Annual Financial Report. Revenues do not include transfers between entities, such as transfers between System Administration and the component institutions, or transfers between component institutions and other state agencies. This prevents the double counting of the same funds as revenue initially by the entities sending the funds, and then subsequently by the entity receiving the funds.

² Due to the implementation of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB) in 2008, the System reported \$422.7 million for the net OPEB obligation liability. GASB 45 requires accrual-based measurement and recognition of OPEB expenses, such as retiree medical and dental costs, over the employees' years of service, along with the related liability. Pursuant to GASB 45, the System has accrued the liability and is recognizing it over a 30 year period so that the increase in the liabilities does not occur all in one year. The System is not required to fund the OPEB liability; instead, the difference between the OPEB cost and the System's contributions to the plan will increase the unfunded actuarial accrued liability.

Source: Exhibit B of Annual Financial Report (AFR)

KEY REVENUES AND EXPENSES BY SOURCE AND PURPOSE
Academic Institutions

(\$ in thousands)

	FY	03-04	04-05	05-06	06-07	07-08
Revenues¹						
Tuition & Fees		\$626,307	\$725,492	\$787,733	\$893,132	\$941,155
State Appropriations		723,237	727,974	792,041	796,133	902,133
Government Grants & Contracts		631,781	663,609	726,331	754,482	814,746
Nongovernment Grants & contracts		110,550	123,797	123,588	142,826	161,162
Gifts		78,814	99,244	113,629	124,066	143,781
Sales and Services - Other		325,417	374,183	386,733	439,127	453,496
Other		144,864	171,612	200,759	225,999	328,324
Total Academic Revenues		\$2,640,970	\$2,885,911	\$3,130,814	\$3,375,765	\$3,744,797
Expenses						
Instruction		\$829,035	\$901,401	\$982,258	\$1,026,959	\$1,071,751
Research		401,580	459,736	477,854	513,998	584,756
Institutional Support & Physical Plant		387,764	419,019	483,049	497,264	541,762
Public Service		91,812	98,110	105,492	113,747	124,110
Academic Support		181,126	200,417	223,368	252,178	268,629
Student Services		109,858	122,923	134,318	143,538	160,374
Scholarships and Fellowships		190,147	200,780	214,047	245,247	243,740
Auxiliary		247,483	273,138	289,712	310,189	333,320
Depreciation		143,447	187,285	204,916	244,686	257,924
Total Academic Expenses		\$2,582,252	\$2,862,809	\$3,115,014	\$3,347,806	\$3,586,368

¹ These represent revenues reported on the U. T. System Annual Financial Report. Revenues do not include transfers between entities, such as transfers between System Administration and the component institutions, or transfers between component institutions and other state agencies. This prevents the double counting of the same funds as revenue initially by the entities sending the funds, and then subsequently by the entity receiving the funds.

Source: Exhibit B of Annual Financial Report (AFR)

KEY REVENUES AND EXPENSES BY SOURCE AND PURPOSE
Health Institutions

	(\$ in thousands)					
	FY	03-04	04-05	05-06	06-07	07-08
Revenues¹						
Tuition & Fees		\$48,801	\$60,970	\$66,730	\$75,165	\$82,854
State Appropriations		848,767	823,491	937,560	963,774	1,047,080
Government Grants & Contracts		768,920	804,787	831,894	838,151	880,638
Nongovernment Grants & Contracts		408,736	419,424	485,467	544,042	588,413
Gifts		101,960	165,690	140,275	159,357	223,969
Sales and Services of Hospitals		1,889,356	2,302,552	2,574,850	2,763,559	3,016,628
Sales and Services - Other		138,772	146,567	156,281	168,634	164,360
Physician Fees		701,119	772,367	793,311	1,012,411	982,678
Other		271,735	268,983	306,523	291,010	310,576
Total Health Revenues		\$5,178,166	\$5,764,831	\$6,292,891	\$6,816,103	\$7,297,195
Expenses						
Instruction		\$1,073,255	\$1,200,019	\$1,266,913	\$1,348,680	\$1,349,326
Research		829,525	873,788	974,929	1,046,457	1,149,147
Hospitals / Clinics		2,044,782	2,403,634	2,544,684	2,664,167	2,906,822
Institutional Support & Physical Plant		575,971	589,058	629,350	637,468	777,283
Public Service		117,137	118,614	117,882	108,362	133,853
Academic Support		74,627	75,981	130,174	138,231	155,206
Student Services		13,436	10,102	11,736	13,812	17,179
Scholarships and Fellowships		9,889	7,988	9,038	12,030	16,838
Auxiliary		42,420	54,237	61,953	63,445	67,612
Depreciation		227,777	287,067	348,345	376,872	415,586
Total Health Expenses		\$5,008,819	\$5,620,488	\$6,095,004	\$6,409,524	\$6,988,852

¹ These represent revenues reported on the U. T. System Annual Financial Report. Revenues do not include transfers between entities, such as transfers between System Administration and the component institutions, or transfers between component institutions and other state agencies. This prevents the double counting of the same funds as revenue initially by the entities sending the funds, and then subsequently by the entity receiving the funds.

Source: Exhibit B of Annual Financial Report (AFR)

**STATE APPROPRIATIONS
 PER FULL-TIME EQUIVALENT STUDENT¹, CURRENT DOLLARS
 Academic Institutions**

FY	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Arlington	\$5,680	\$4,920	\$4,610	\$4,570	\$4,930	\$5,040	\$5,550
Austin	6,270	5,930	6,010	6,160	6,540	6,520	6,960
Dallas	6,150	5,720	5,700	5,540	6,070	6,050	6,840
El Paso	5,440	5,160	4,780	4,790	5,190	5,130	5,720
Pan American	4,730	4,510	4,200	4,010	4,410	4,330	4,770
Permian Basin	8,340	7,450	6,520	6,170	6,290	6,380	11,470
San Antonio	4,940	4,390	3,940	3,830	4,410	4,310	4,990
Tyler	8,950	7,650	6,930	6,000	6,530	6,400	7,370
Average	\$5,850	\$5,390	\$5,170	\$5,120	\$5,530	\$5,500	\$6,150

¹ Full-Time Equivalent students are defined as 1 FTE student =30 undergraduate semester credit hours (SCH) or 24 masters' or professional SCHs or 18 doctoral SCHs.

General Revenue increases at U. T. Permian Basin due primarily to special item and tuition revenue bond funding.

**INFLATION-ADJUSTED STATE APPROPRIATIONS
 PER FULL-TIME EQUIVALENT STUDENT¹
 Academic Institutions**

FY	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Arlington	\$5,680	\$4,850	\$4,440	\$4,290	\$4,420	\$4,430	\$4,750
Austin	6,270	5,840	5,790	5,780	5,860	5,730	5,950
Dallas	6,150	5,630	5,480	5,200	5,440	5,320	5,850
El Paso	5,440	5,080	4,600	4,500	4,650	4,510	4,890
Pan American	4,730	4,450	4,040	3,770	3,960	3,800	4,080
Permian Basin	8,340	7,340	6,280	5,790	5,640	5,610	9,810
San Antonio	4,940	4,330	3,790	3,600	3,950	3,790	4,270
Tyler	8,950	7,530	6,670	5,630	5,850	5,620	6,300
Average	\$5,850	\$5,310	\$4,980	\$4,800	\$4,960	\$4,840	\$5,260

¹ Full-Time Equivalent students are defined as 1 FTE student =30 undergraduate semester credit hours (SCH) or 24 masters' or professional SCHs or 18 doctoral SCHs. State Appropriations were adjusted for inflation using the Consumer Price Index (CPI-U) and FY 2002 as the base year.

General Revenue increases at U. T. Permian Basin due primarily to special item and tuition revenue bond funding.

Source: Appropriated funds are from Exhibit B of Annual Financial Report (AFR); Student FTE enrollment based on THECB annualized semester credit hour reports and include state-funded and excess hours.

**TUITION AND FEES
 PER FULL-TIME EQUIVALENT STUDENT¹, CURRENT DOLLARS
 Academic Institutions**

FY	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Arlington	\$3,710	\$3,650	\$4,070	\$4,730	\$4,950	\$5,660	\$6,070
Austin	4,540	4,740	5,180	6,000	6,680	7,370	7,550
Dallas	4,160	4,720	4,860	5,580	5,880	7,050	7,530
El Paso	2,380	2,530	2,940	3,590	3,830	4,230	4,450
Pan American	1,350	1,680	1,660	1,700	2,030	2,230	2,760
Permian Basin	2,050	2,040	1,860	2,640	2,910	2,790	3,470
San Antonio	2,930	3,230	4,010	4,870	5,020	5,890	6,040
Tyler	1,960	2,400	2,780	3,090	3,410	4,050	4,200
System Average	\$3,510	\$3,710	\$4,070	\$4,720	\$5,090	\$5,740	\$6,020

Note:

¹ Full-Time Equivalent students are defined as 1 FTE student =30 undergraduate semester credit hours (SCH) or 24 masters' or professional SCHs or 18 doctoral SCHs.

**INFLATION-ADJUSTED TUITION AND FEES
 PER FULL-TIME EQUIVALENT STUDENT¹
 Academic Institutions**

FY	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Arlington	\$3,710	\$3,590	\$3,920	\$4,440	\$4,440	\$4,980	\$5,190
Austin	4,540	4,670	4,980	5,630	5,990	6,480	6,460
Dallas	4,160	4,650	4,680	5,240	5,270	6,200	6,440
El Paso	2,380	2,490	2,830	3,380	3,430	3,710	3,800
Pan American	1,350	1,660	1,600	1,600	1,820	1,960	2,360
Permian Basin	2,050	2,010	1,790	2,480	2,610	2,450	2,970
San Antonio	2,930	3,190	3,860	4,580	4,500	5,170	5,160
Tyler	1,960	2,360	2,670	2,900	3,060	3,560	3,590
System Average	\$3,510	\$3,660	\$3,920	\$4,430	\$4,560	\$5,040	\$5,150

Notes:

¹ Full-Time Equivalent students are defined as 1 FTE student =30 undergraduate semester credit hours (SCH) or 24 masters' or professional SCHs or 18 doctoral SCHs. Tuition & Fees were adjusted for inflation using the Consumer Price Index (CPI-U) and FY 2002 as the base year.

Source: Appropriated funds are from Exhibit B of Annual Financial Report (AFR); Student FTE enrollment based on THECB annualized semester credit hour reports and include state-funded and excess hours.

U. T. SYSTEM ENDOWMENTS Academic and Health Institutions

		(\$ in thousands)					% change
FY		03-04	04-05	05-06	06-07	07-08	FY 04 to 08
Academic	Arlington	\$38,512	\$45,635	\$50,750	\$57,646	\$60,955	58.3%
	Austin	4,666,151	5,594,393	6,268,407	7,190,136	6,895,038	47.8
	Brownsville	4,829	5,599	6,373	7,327	7,324	51.7
	Dallas	195,714	222,424	236,111	263,975	250,605	28.0
	El Paso	117,563	132,056	141,534	157,974	151,201	28.6
	Pan American	50,749	54,310	58,568	67,204	62,063	22.3
	Permian Basin	13,147	15,250	16,747	18,814	17,848	35.8
	San Antonio	30,218	36,386	44,430	53,765	54,084	79.0
	Tyler	45,152	53,508	58,149	65,582	66,887	48.1
	Academic Total	\$5,162,035	\$6,159,561	\$6,881,069	\$7,882,424	\$7,566,005	46.6%
Health	SWMC-Dallas	\$804,305	\$980,022	\$1,143,426	\$1,434,560	\$1,368,760	70.2%
	UTMB-Galveston	352,268	397,054	432,172	496,876	474,018	34.6
	HSC-Houston	113,459	141,070	157,148	187,444	182,119	60.5
	HSC-San Antonio	278,385	319,886	346,235	405,177	409,307	47.0
	M.D. Anderson	357,890	421,936	457,727	564,505	630,293	76.1
	HSC-Tyler	31,729	36,271	39,108	44,142	42,094	32.7
	Health Total	\$1,938,036	\$2,296,239	\$2,575,816	\$3,132,705	\$3,106,591	60.3%
	Institution Total	\$7,100,071	\$8,455,800	\$9,456,885	\$11,015,129	\$10,672,596	50.3%
	System Administration	3,734,433	\$4,576,106	\$5,048,284	\$5,734,991	\$5,409,047	44.8%
System	Total	\$10,834,504	\$13,031,906	\$14,505,169	\$16,750,121	\$16,081,643	48.4%

Notes:

These totals include endowment funds managed by UTIMCO as well as those held in trust by other entities, as reported to the Council for Aid to Education each year. (Information offered on endowment funds not managed by UTIMCO is reported by each institution). Endowments for U. T. Austin include 30 percent of the Permanent University Fund (PUF) market value and endowments for the U. T. System include the remaining 37 percent of the PUF market value. Endowment values for U. T. System Administration exclude the Permanent Health Fund, which is reported by the institutions.

Source: U. T. System Office of External Relations and U. T. Institution reports to the Council for Aid to Education

DONOR SUPPORT
Academic and Health Institutions

		(\$ in thousands)				
	FY	03-04	04-05	05-06	06-07	07-08
Academic	Arlington	\$4,709	\$4,995	\$5,829	\$4,965	\$6,286
	Austin	252,175	140,239	176,497	228,759	282,865
	Brownsville	1,497	923	1,100	1,001	1,455
	Dallas	12,220	15,339	16,668	33,593	19,378
	El Paso	14,829	17,112	13,703	16,738	21,193
	Pan American	13,384	5,975	5,183	6,612	3,160
	Permian Basin	2,563	1,775	3,500	2,613	6,742
	San Antonio	8,805	7,693	9,244	9,831	11,208
	Tyler	4,534	6,315	1,876	2,011	7,757
	Academic Total	\$314,716	\$200,366	\$233,600	\$306,123	\$360,044
Health	SWMC-Dallas	\$130,606	\$103,213	\$135,819	\$166,326	\$145,279
	UTMB-Galveston	46,162	33,102	36,250	50,266	33,772
	HSC-Houston	35,031	37,742	35,661	37,660	33,686
	HSC-San Antonio	22,683	25,017	24,494	55,205	119,815
	M.D. Anderson	96,927	79,278	96,225	142,313	105,127
	HSC-Tyler	2,452	4,844	1,085	1,480	2,191
	Health Total	\$333,861	\$283,196	\$329,534	\$453,250	\$439,870
Institution	Total	\$648,577	\$483,562	\$563,134	\$759,373	\$799,914
System Administration		\$915	\$4,953	\$3,131	\$1,574	\$1,494
System	Total	\$649,492	\$488,515	\$566,265	\$760,947	\$801,408

Source: Council for Aid to Education Annual Survey; U. T. System Office of the Comptroller

PATIENT CARE REVENUE
Health Institutions

	(\$ in thousands)					
	FY	02-03	03-04	04-05	05-06	06-07
Net State-Owned Hospital Revenue		1,282,455	1,507,347	1,871,799	2,161,932	2,369,976
MSRDP (Practice Plan) Net Revenue*		648,388	701,117	772,366	792,556	1,012,063
Total Patient Care Revenues		\$1,930,843	\$2,208,464	\$2,644,165	\$2,954,488	\$3,382,039

*Includes Medical Services, Research and Development Programs.

Source: U. T. System Hospital Reports; MSRDP; U. T. System Institutional Reports

HOSPITAL CLINIC AND CLINIC SERVICE IN RELATION TO
HOSPITAL GENERAL REVENUE
Health Institutions

	(\$ in thousands)					
	FY	02-03	03-04	04-05	05-06	06-07
General Revenue Per Hospital Admission						
UTMB-Galveston		\$3,068	\$3,162	\$3,069	\$3,686	\$3,953
M.D. Anderson		4,677	4,839	4,745	4,958	4,818
HSC-Tyler		4,845	4,759	5,634	7,536	8,780
HSC-Houston (HCPC*)		3,572	3,464	3,597	2,874	3,505
Amount of General Revenue Per Patient Day						
UTMB-Galveston		\$586	\$640	\$641	\$816	\$910
M.D. Anderson		620	652	631	668	645
HSC-Houston		331	328	347	265	325
HSC-Tyler		677	647	856	1,488	1,704
Amount of General Revenue Per Hospital Outpatient and Clinic Visit						
UTMB-Galveston		\$134	\$151	\$152	\$218	\$220
M.D. Anderson		168	163	128	113	112
HSC-Tyler		134	105	143	132	143
Hospital General Revenue as a Percent of Hospital Charity Care Provided						
UTMB-Galveston		37%	35%	35%	45%	48%
M.D. Anderson		63%	54%	50%	59%	63%
HSC-Houston		87%	80%	81%	41%	39%
HSC-Tyler		126%	54%	50%	70%	114%

Note:

*Harris County Psychiatric Center

Source: U. T. System Annual Hospital Report; U. T. System Institutional Reports

**TOTAL CHARGES FOR UNSPONSORED CHARITY CARE BY FACULTY IN
 STATE-OWNED AND AFFILIATED FACILITIES
 Health Institutions**

FY	02-03	03-04	04-05	05-06	06-07
SWMC-Dallas	\$281,998,363	\$312,465,011	\$324,443,991	\$371,341,317	\$368,610,465
UTMB-Galveston	97,724,989	108,498,329	114,686,522	107,717,480	54,138,901
HSC-Houston	107,326,617	139,031,049	172,229,739	185,910,119	152,165,351
HSC-San Antonio	77,586,366	85,647,220	98,545,392	101,866,765	86,314,112
M.D. Anderson	43,427,477	51,164,780	50,594,052	42,871,461	28,117,633
HSC-Tyler	6,814,083	7,008,950	8,695,101	8,804,172	901,967
Health Total	\$614,877,895	\$703,815,339	\$769,194,797	\$818,511,314	\$690,248,429

Note:

The overall decline in the amount of un-sponsored charity care by faculty reported in FY 06-07 is the result of physician UPL payments which offset the amount of un-sponsored charity care. The payments received in FY 06-07 included one-time payment for services dating back to May 1, 2004.

**TOTAL CHARGES FOR UNSPONSORED CHARITY CARE AT HOSPITALS OWNED
 Health Institutions**

FY	02-03	03-04	04-05	05-06	06-07
SWMC-Dallas	--	--	\$6,610,443	\$11,324,924	\$48,668,785
UTMB-Galveston	306,513,077	367,857,612	366,333,113	337,392,902	337,563,529
HSC-Houston	24,360,843	24,314,751	24,444,333	38,891,554	48,839,414
M.D. Anderson	143,955,098	185,022,570	215,762,998	177,531,569	167,625,952
HSC-Tyler	14,448,608	14,817,389	32,995,508	31,491,215	19,306,011
Health Total	\$489,277,626	\$592,012,322	\$646,146,395	\$596,632,164	\$622,003,691

Source: U. T. System Institutions' Annual Financial Reports

GROSS PATIENT CHARGES PER FTE CLINICAL FACULTY¹
Health Institutions

FY	02-03	03-04	04-05	05-06	06-07
SWMC-Dallas	\$1,887,877	\$2,298,957	\$2,431,665	\$2,476,983	\$2,786,782
UTMB-Galveston	1,271,177	1,265,074	1,380,701	1,362,227	1,192,949
HSC-Houston ²	1,329,066	820,704	900,918	910,245	872,589
HSC-San Antonio ³	767,370	624,550	751,590	521,876	458,667
M.D. Anderson	1,150,130	1,206,878	1,330,244	1,308,507	1,515,257
HSC-Tyler	481,916	531,309	589,639	402,954	334,328

¹ Based on operating budget figures; actual FTEs may change over the course of a year.

² Restated from previous years to reflect budgeted clinical FTE Faculty from all schools.

³ Include gross charges (FSS and capitated plans).

NET PATIENT REVENUES PER FTE CLINICAL FACULTY
Health Institutions

FY	02-03	03-04	04-05	05-06	06-07
SWMC-Dallas	\$524,252	\$630,618	\$681,975	\$664,948	\$907,617
UTMB-Galveston	377,801	363,316	409,024	420,893	549,510
HSC-Houston ¹	391,423	196,942	204,091	192,895	234,120
HSC-San Antonio	269,250	191,290	221,976	164,868	168,968
M.D. Anderson	427,927	452,767	495,229	447,137	546,685
HSC-Tyler	162,839	179,726	160,767	105,369	138,736

¹ Restated from previous years to reflect budgeted clinical FTE Faculty from all schools.

Source: MSRDP; Faculty Salary Reports

**AMOUNT EXPENDED FOR ADMINISTRATIVE COSTS
 Academic and Health Institutions**

(\$ in thousands)

	FY	03-04	04-05	05-06	06-07	07-08
Arlington	Administrative Costs	\$19,760	\$25,093	\$22,194	\$25,396	\$25,061
	Total expenses	215,692	248,059	267,462	290,581	314,322
	% Total expenses	9.2%	10.1%	8.3%	8.7%	8.0%
Austin	Administrative Costs	69,877	78,644	87,913	89,546	84,054
	Total expenses	1,226,186	1,329,201	1,439,022	1,563,111	1,649,451
	% Total expenses	5.7%	5.9%	6.1%	5.7%	5.1%
Brownsville	Administrative Costs	9,767	10,339	11,230	10,538	10,905
	Total expenses	94,152	106,018	120,197	127,879	137,751
	% Total expenses	10.4%	9.8%	9.3%	8.2%	7.9%
Dallas	Administrative Costs	13,851	16,377	20,721	19,568	24,683
	Total expenses	171,996	197,123	215,881	229,546	251,729
	% Total expenses	8.1%	8.3%	9.6%	8.5%	9.8%
El Paso	Administrative Costs	15,792	17,268	19,064	17,676	19,261
	Total expenses	184,917	201,898	222,793	234,963	251,564
	% Total expenses	8.5%	8.6%	8.6%	7.5%	7.7%
Pan American	Administrative Costs	12,880	13,127	14,923	18,481	19,280
	Total expenses	145,519	162,921	181,856	190,614	201,318
	% Total expenses	8.9%	8.1%	8.2%	9.7%	9.6%
Permian Basin	Administrative Costs	2,782	3,067	3,561	3,192	3,777
	Total expenses	30,349	30,635	36,170	34,410	40,708
	% Total expenses	9.2%	10.0%	9.8%	9.3%	9.3%
San Antonio	Administrative Costs	24,987	28,925	32,996	30,657	31,505
	Total expenses	214,453	256,385	277,752	298,937	328,230
	% Total expenses	11.7%	11.3%	11.9%	10.3%	9.6%
Tyler	Administrative Costs	7,735	7,500	9,156	8,550	9,224
	Total expenses	46,435	52,001	59,353	64,697	72,640
	% Total expenses	16.7%	14.4%	15.4%	13.2%	12.7%
Academic Total	Administrative Costs	177,432	200,340	221,757	223,603	227,748
	Total expenses	2,329,699	2,584,240	2,820,485	3,034,739	3,247,713
	% Total expenses	7.6%	7.8%	7.9%	7.4%	7.0%

AMOUNT EXPENDED FOR ADMINISTRATIVE COSTS Academic and Health Institutions

		(\$ in thousands)				
	FY	03-04	04-05	05-06	06-07	07-08
SWMC-Dallas	Administrative Costs	\$40,131	\$44,854	\$49,366	\$56,318	\$53,299
	Total Expenses	793,615	1,032,539	1,191,523	1,242,786	1,360,591
	% of Total Expenses	5.1%	4.3%	4.1%	4.5%	3.9%
UTMB-Galveston	Administrative Costs	60,827	27,224	26,658	21,047	\$57,268
	Total Expenses	1,299,079	1,385,807	1,402,757	1,420,123	1,537,717
	% of Total Expenses	4.7%	2.0%	1.9%	1.5%	3.7%
HSC-Houston	Administrative Costs	52,039	57,436	65,849	64,954	53,752
	Total Expenses	559,110	585,124	628,937	662,008	705,021
	% of Total Expenses	9.3%	9.8%	10.5%	9.8%	7.6%
HSC-San Antonio	Administrative Costs	24,369	29,929	33,395	31,401	36,118
	Total Expenses	452,422	486,377	524,713	555,165	629,776
	% of Total Expenses	5.4%	6.2%	6.4%	5.7%	5.7%
M.D. Anderson	Administrative Costs	143,898	149,412	155,791	170,547	185,354
	Total Expenses	1,724,250	1,936,133	2,134,555	2,352,982	2,582,708
	% of Total Expenses	8.3%	7.7%	7.3%	7.2%	7.2%
HSC-Tyler	Administrative Costs	8,520	9,202	9,697	9,663	8,560
	Total Expenses	119,374	124,549	120,964	113,293	112,967
	% of Total Expenses	7.1%	7.4%	8.0%	8.5%	7.6%
Health Total	Administrative Costs	\$329,784	\$318,058	\$340,755	\$353,930	\$394,352
	Total Expenses	\$4,947,850	\$5,550,529	\$6,003,450	\$6,346,357	\$6,928,780
	% of Total Expenses	6.7%	5.7%	5.7%	5.6%	5.7%
System Administration*	Administrative Costs	\$39,706	\$36,542	\$45,144	\$49,233	\$478,103
	Total Expenses	\$45,336	\$49,300	\$58,399	\$63,279	\$493,820
	% of Total Expenses	87.6%	74.1%	77.3%	77.8%	96.8%
System Total	Administrative Costs	\$546,921	\$554,941	\$607,656	\$626,766	\$1,100,204
	Total Expenses	7,322,885	8,184,069	8,882,334	9,444,375	10,670,314
	% of Total Expenses	7.5%	6.8%	6.8%	6.6%	10.3%

Note:

Administrative costs are Institutional Support expenses for executive management, fiscal operations, general administration and logistical services, administrative computing support, and public relations/development. Total costs, as defined by the LBB, exclude expenses of auxiliary enterprises and service departments.

*System Administration increases are primarily a result of other post employment benefits which were included for the first time in 2008. Due to the implementation of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB) in 2008, the System reported \$422.7 million for the net OPEB obligation liability. GASB 45 requires accrual-based measurement and recognition of OPEB expenses, such as retiree medical and dental costs, over the employees' years of service, along with the related liability. Pursuant to GASB 45, the System has accrued the liability and is recognizing it over a 30 year period so that the increase in the liabilities does not occur all in one year. The System is not required to fund the OPEB liability; instead, the difference between the OPEB cost and the System's contributions to the plan will increase the unfunded actuarial accrued liability.

Source: Administrative Cost Measures reported to the Legislative Budget Board as an Annual Performance Measure by each institution.