The University of Texas System

Operating Budget Summaries

and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARs

Fiscal Year 2026

August 2025

The University of Texas at Arlington ◆ The University of Texas at Austin ◆ The University of Texas at Dallas ◆ The University of Texas at El Paso ◆ The University of Texas Permian Basin ◆ The University of Texas Rio Grande Valley ◆ The University of Texas at San Antonio ◆ Stephen F. Austin State University ◆ The University of Texas at Tyler ◆ The University of Texas Southwestern Medical Center ◆ The University of Texas Medical Branch at Galveston ◆ The University of Texas Health Science Center at Houston ◆ The University of Texas Health Science Center at San Antonio ◆ The University of Texas M. D. Anderson Cancer Center ◆ The University of Texas System Administration

The University Of Texas System

Operating Budget Summaries and Reserve Allocations for Library, Equipment, Repair and Rehabilitation and Faculty STARs

For Fiscal Year Ending August 31, 2026

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THE UNIVERSITY OF TEXAS SYSTEM

Operating Budget Highlights

For the Year Ending August 31, 2026

INTRODUCTION

For more than 140 years, The University of Texas System (the "U.T. System") has improved the lives of Texans and people all over the world through education, health care and research.

With enrollment of more than 256,000 students at academic and health institutions across the state, as well as an operating budget of $33.3 billion, the U.T. System is one of the largest public university systems in the nation and the world. U.T. institutions are powerful drivers of economic and social mobility in Texas, producing more than 66,000 graduates annually, including more than one-third of the state's undergraduate degrees and about 63% of the state's medical degrees. Almost half of all undergraduate degrees are awarded to students who qualify for a Pell grant based on financial need while enrolled at a U.T. institution.

Approximately 90% of graduates who earned their degrees from U.T. institutions secure jobs in Texas within one year after graduating, providing a skilled workforce and fueling the state's economy. In fact, U.T. graduates who entered the Texas workforce between 2002 and 2022 had cumulative earnings through 2023 of more than $400 billion.

The U.T. System is one of the largest employers in Texas, with more than 16[illegible]00 faculty, health care professionals, researchers, support staff and student workers.

Creating a healthier Texas is a fundamental mission of U.T. institutions. Collectively, U.T.-owned and affiliated hospitals and clinics account for nearly 10.8 million outpatient visits and more than 2.1 million hospital days in 2023. In addition to world class patient care, U.T. researchers are on the front lines of advancing treatments and therapies for deadly and debilitating diseases. Total annual research expenditures across the U.T. institutions exceeds $4[illegible] billion, and the U.T. System ranks No. 1 in Texas and No. 2 in the nation in federal research expenditures among public higher education systems.

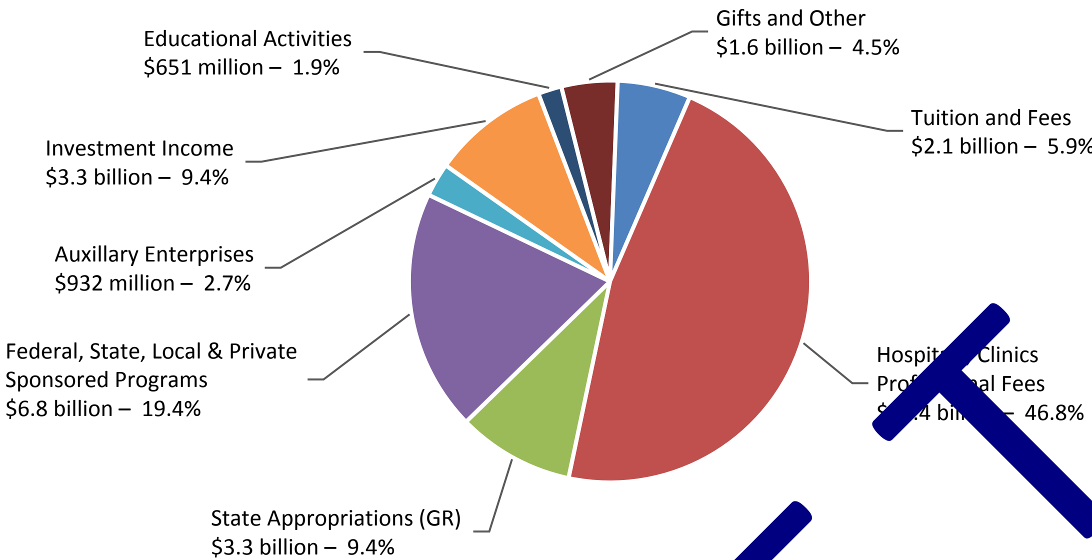
Healthcare expansion plans were announced in August 2023 regarding a monumental healthcare initiative to accelerate and expand U.T. Austin's medical district into a world-class academic medical center for education, research and patient care. This will involve a collaboration that combines U.T. Austin's computational expertise with U.T.M.D. Anderson's data on cancer patients and treatment in a joint location in Austin. In October of 2024, U.T. Southwestern Medical Center and Children's Health, both based in Dallas, broke ground on a $5 billion pediatric campus. Once complete, the campus will be one of the nation's largest pediatric hospitals. In December of 2024, U.T. Health Science Center at San Antonio's Multi-specialty and Research Hospital opened as best-in-class hospital to deliver specialty surgeries, advanced treatments and comprehensive cancer care including immunologic and stem cell therapies.

Transformational initiatives implemented over the past several years continue to cement U.T. System as a national leader in higher education, including the expansion of educational opportunities in South Texas with the opening of U.T. Rio Grande Valley and its medical school in 2015 , the combining of U.T. Tyler and U.T. Health Science Center – Tyler in 2020 and the opening of its medical school in the fall of 2023 as the seventh U.T. medical school. On September 1, 2023, the Board of Regents welcomed Stephen F. Austin State University as the 14th U.T. System institution following approval by the 88th Texas Legislature. In August of 2024, a plan was announced to integrate U.T. San Antonio with U.T. Health San Antonio into a premier global university that combines healthcare, biosciences, national security and data science to create a powerful, singular entity. In September of 2024, U.T. El Paso announced the reestablishment of the Mining Engineering Program with the program slated to launch in Fall 2027 and address the growing demand for mining engineers in Texas and across the U.S. In April 2025, U.T. Arlington broke ground on the new UTA West with cutting-edge academic and research facilities designed to bring together students, faculty and industry leaders to drive innovation and workforce readiness for the fast-growing west Fort Worth region.

At U.T. institutions, the average student debt not only has steadily declined over the past five years, but it is also 10% lower, on average, than across Texas public four-year universities. Moreover, the percentage of U.T. graduates with debt has declined from 53.6% in 2019 to 47.8% in 2023. Critical workforce degree programs like nursing, computer science, accounting, and biology, reveal fewer than 45% of U.T. graduates take on debt. In November 2024, U.T. System approved an investment to expand the Promise Plus program established in 2022 for academic institutions to supplement existing financial aid programs allowing more need-based qualified students to attend U.T. institutions without accruing debt for tuition or mandatory fees.

With the Texas population expected to grow dramatically in the years to come, the U.T. System will continue to lead in driving prosperity, innovation and health for the people of the Lone Star State.

REVENUE $35.1 BILLION



The budget includes both operating and nonoperating revenue used to support the system's activities. Combined revenue for FY 2026 is $35.1 billion, up 9.8% or $3.1 billion from FY 2025. The growth in revenue is attributed to ***Net Sales and Services of Hospitals and Clinics*** ($1.7 billion or 14.1%), ***Net Investment Income*** ($692 million or 26.5%), and ***State Appropriations*** ($374 million or 12.8%).

Overall, institutions with hospitals are anticipating growth in ***Net Sales and Services of Hospitals and Clinics***, most significantly at U.T.M.D. Anderson Cancer Center ($611 million), U.T. Southwestern Medical Center ($586 million), and U.T. Medical Branch - Galveston ($248 million). These institutions are anticipating patient volume increases with new services and rate increases.

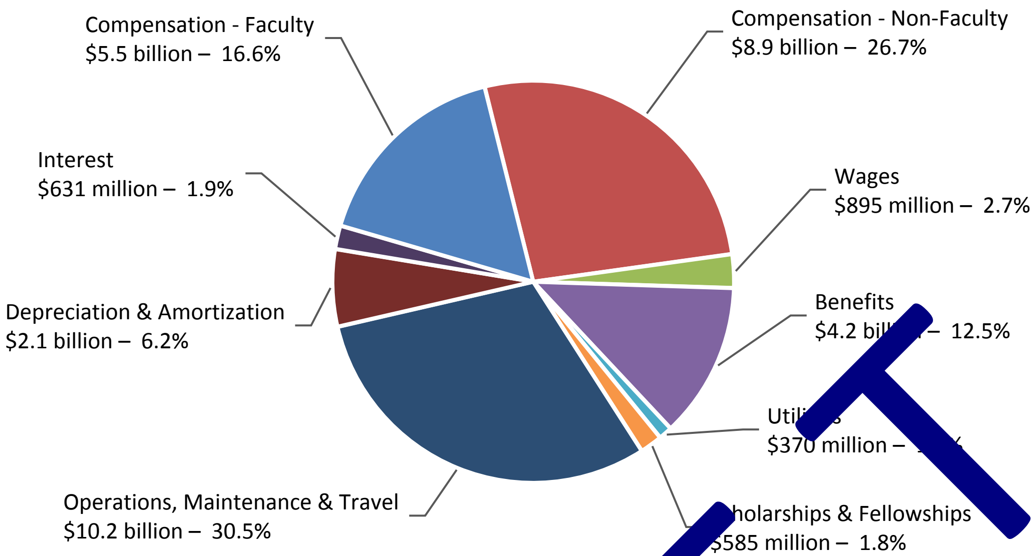
Growth and increase in the annual distribution from the Permanent University Fund (PUF) available to the U.T. System, which is budgeted as ***Net Investment Income***, along with related Available University Fund (AUF) and other interest at U.T. System Administration ($505 million) is a leading factor in the additional ***Net Investment Income*** anticipated for FY 2026. Most other institutions project budget increases from growth in Long Term Fund distribution rates, other investment holdings, and rising deposit interest rates. The most significant institution increases are projected at U.T.M.D. Anderson Cancer Center ($53 million), U.T. Southwestern Medical Center ($42 million), U.T. Austin ([illegible] million), U.T. Health Science Center - Houston ($15 million), and U.T. Dallas ($10 million).

State Appropriations increased for the majority of our institutions for both formula funding and support for special items. The most significant increases are at U.T. Austin ($109 million), U.T.M.D. Anderson Cancer Center and U.T. Southwestern Medical Center ($35 million), U.T. Rio Grande Valley ($34 million), and U.T. Health Science Center - San Antonio ($31 million).

For FY 2026, the majority of our institutions are forecasting decreases in ***Federal Sponsored Programs - Operating*** due to anticipated decreases in federal sponsored awards with current federal program reductions and potential reductions or caps applied to facilities and administrative (F&A) overhead rates. The most significant decreases are at U.T. Austin ($64 million), U.T. Health Science Center - San Antonio ([illegible] million), U.T. El Paso ($39 million), U.T. Health Science Center - Houston ($24 million) and U.T.M.D. Anderson Cancer Center ($21 million).

Based on type of institution, the most significant areas of growth for health care institutions include ***Net Sales and Services of Hospitals and Clinics*** ($1.7 billion or 14.1%), ***Local and Private Sponsored Programs*** ($261 million or 10.9%), and ***Net Professional Fees*** ($251 million or 9.1%). The most significant areas of growth for academic institutions include ***State Appropriations*** ($202 million or 15.0%), ***Net Auxiliary Enterprises*** ($108 million or 16.1%), and ***Gifts in Support of Operations*** ($91 million or 24.5%).

EXPENSES BY NATURAL CLASSIFICATION $33.3 BILLION



Expenses reflected in the budget include all operational activities, limited non-operating expenses, and transfers to U.T. System Administration made to fund debt service interest. Depreciation and amortization expenses are also included in the budget. Conversely, capital outlay, capitalized lease payments, subscription-based information technology arrangement (SBITA) payments and transfers for debt service principal payments are excluded. Combined expenses for FY 2026 are $33.3 billion, up 8.0% or $2.5 billion from FY 2025.

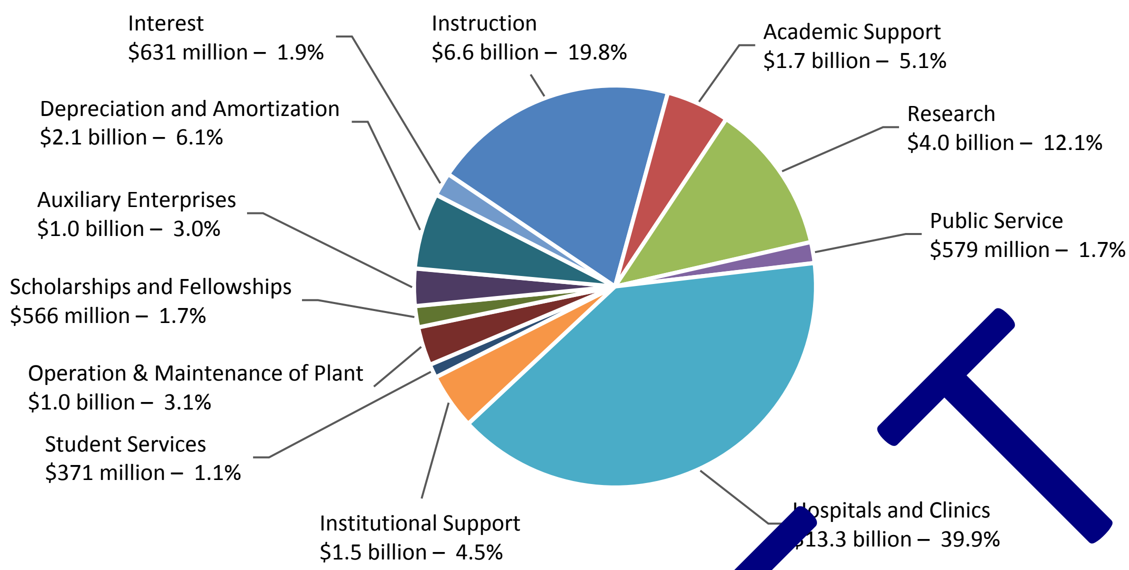
The most significant change is to ***Operations, Maintenance and Travel*** which increases $1.6 billion or 14.7% before adjustment for the capitalized portion.

U.T. Southwestern Medical Center ($531 million), U.T.M.D. Anderson Cancer Center ($519 million), and U.T. Medical Branch - Galveston ($223 million) have the most significant increases resulting from a combination of patient care volume growth and medical and pharmaceutical increase of expenditures. U.T.M.D. Anderson specifically identifies an expected increase in medical and drug supplies of $182 million. Other health institutions experience similar increases but on a smaller scale. Growth at most academic institutions ranges from 6.2% to 28.7% due to auxiliary enterprise increases or programs funded from new state appropriations. The largest dollar increase is anticipated at U.T. Austin ($[illegible] million).

Personnel Costs including compensation for both faculty and non-faculty along with wages for temporary employees and students and associated benefits costs for all classes of employees are budgeted to increase by $1.2 billion, up 6.6% over FY 2025. For U.T. System, these costs represent [illegible]% of Total Expenses and 49.4% of the overall expense increase. Many institutions have included plans for merit salary increases and market/equity adjustments in current budget requests although higher inflation increasing non-personnel operating costs and lower revenue forecasts are impacting the ability for some institutions to invest in personnel for FY 2026. The most significant increases are projected at U.T. M.D. Anderson Cancer Center ($288 million), U.T. Southwestern Medical Center ($261 million), U.T. Health Science Center - Houston ($182 million), and U.T. Austin ($170 million). Decreases in budget due to budget cuts or reduction in sponsored programs is reflected by U.T. Dallas, U.T El Paso, U.T Permian Basin and U.T. San Antonio.

Scholarships and Fellowships (before adjustment for tuition discounts and allowances) are anticipated to increase ($104 million or 6.2%) overall. The largest increase is at U.T. Rio Grande Valley ($28 million).

EXPENSES BY FUNCTIONAL CLASSIFICATION $33.3 BILLION



The most significant functional areas of growth include ***Hospitals and Clinics*** ($1.5 billion or 13.1%), ***Instruction*** ($335 million or 5.4%), and ***Research*** ($152 million or 3.9%).

The most significant changes in ***Hospitals and Clinics*** are related volume growth and supply costs associated with patient care. The most significant growth is anticipated at U.T. Southwestern Medical Center ($573 million), U.T.M.D. Anderson Cancer Center ($489 million), U.T. Medical Branch - Galveston ($261 million), and U.T. Health Science Center - San Antonio ($141 million).

Instruction expenses will increase largely due to clinical patient care volume growth and physician practice plans and in some cases as a result of planned merit and market salary increases. The most significant increases are projected to be at U.T. Health Science Center - Houston ($104 million), U.T. Medical Branch - Galveston ($[illegible]1 million), U.T. Southwestern Medical Center ($63 million), U.T. Austin ($49 million), and U.T. Health Science Center - San Antonio ($[illegible] million).

The most significant changes in anticipated ***Research*** expenses are projected to occur at U.T. Southwestern Medical Center ($69 million), U.T.M.D. Anderson Cancer Center ($42 million) and U.T. Austin ($12 million). Increases are primarily attributed to changes in sponsored program revenue streams from state and private sources.

BACKGROUND

The System reports financial information based on Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis – for Public Colleges and Universities,* as amended by GASB Statements No. 37*, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures.* These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the entity as a whole. Previously, financial statements focused on the accountability of individual fund groups rather than on the entity as a whole.

The U.T. System Annual Operating Budget has historically presented sources and uses of funds in select fund groups rather than on operating results of the entity as a whole. As a result, several significant differences existed between the budget and the financial reporting presentations at year-end. Beginning in the FY 2007 budget, the underlying operating budget maintains the sources and uses information but allows the focus of the budget to conform more closely to the entity-wide financial performance measures of the annual financial report and the internal monthly financial report through a series of adjustments incorporated into the budget totals. The major differences that have been resolved included the following items:

- The budget reflects tuition discounting and related scholarship/fellowship activities in a manner comparable to the GASB *Rules* for the annual financial report.
- Depreciation expense is incorporated into the budgeted expense totals.
- Capital outlay from operating funds is eliminated from budgeted expenditure totals.
- Debt service principal repayments are eliminated from budgeted expenditure totals.
- Capitalized lease activity payments and subscription based information technology arrangements (SBITA) payments are eliminated from budgeted expenditure totals with associated capitalized lease interest, capitalized lease principal and amortization of right-of-use assets being recorded in their place.

The information presented in this summary document nets budgeted revenues and expenses to arrive at a "Budget Margin (Deficit)" that is comparable to the operating margin in the internal monthly financial report.

Expenses are reported in the budget by natural classification meaning that expenses are accumulated based on the nature of each type of expense. This contrasts with functional classification which is a presentation method under which expenses are aggregated and reported by the activities for which they were incurred. Reporting of functional classifications is included as supplemental information.

As part of a desire to align the Operating Budget with the Monthly Financial Report and Analysis of Financial Condition prepared by the U.T. System Office of Budget and Planning, the appropriation of general revenue for Capital Construction Assistance Projects (CCAP) bond debt service and the related transfer activity for principal and interest have been moved from the respective institutions to the budget of U.T. System Administration. In addition, certain transfers to institutions from U.T. System Administration such as the Promise Plus program funding have been included as budgeted revenue to adjust margin presentation and in contradiction to how the funds are presented in each institution's Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) included in the U.T. System Annual Financial Report.

PRESENTATION OF FY 2025 PROJECTED ACTUAL TOTALS

All U.T. institutions have prepared a projection of FY 2025 activity in a format comparable to that presented for the FY 2025 adjusted and FY 2026 proposed budgets. This projection was based on activity through May 2025.

GLOSSARY OF TERMS

Operating Revenues:

TUITION AND FEES – All student tuition and fee revenues earned at the U.T. institutions for educational purposes. Tuition is reported gross with an identified offset "Less Discounts and Allowances" to reflect the related scholarship/fellowship discount activities in a manner comparable to the GASB rules for the annual financial report.

SPONSORED PROGRAMS – Funding received from local, state, and federal governments or private agencies, organizations, or individuals. 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. Contractual relationships with clinical partners such as hospitals are reported as Local and Private Sponsored Programs.

NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES – Revenues 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. Examples include revenues received from activities such as performing arts, continuing education, charter schools, the University Interscholastic League, trademarks programs, and sports camps.

NET SALES AND SERVICES OF HOSPITALS AND CLINICS – Revenues (net of discounts, allowances, and bad debt expense) generated from U.T. health institutions' 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 U.T. health institutions, U.T. Austin, and U.T. Rio Grande Valley as part of the medical, dental, and other practice plans. 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, intercollegiate 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. Also included in this category are, Texas Incentives for Physician and Professional Services (TIPPS) and Comprehensive Hospital Increase Reimbursement Program (CHIRP) programs. TIPPS is a directed payment program for certain physician practice groups providing health care services to children and adults enrolled in the State of Texas' STAR, STAR+PLUS and STAR Kids Medicaid managed care programs. CHIRP is a statewide program that provides for increased Medicaid payments to hospitals for inpatient and outpatient services provided to persons with Medicaid.

Operating Expenses:

NATURAL CLASSIFICATION - A natural expense classification is a method of grouping expenses according to the type of costs that are incurred. The classifications indicate what was purchased rather than why an expense was incurred. Categories included are Compensation-Faculty; Compensation-Non-Faculty; Wages; Benefits; Utilities; Scholarships and Fellowships; Operations, Maintenance, and Travel; and Depreciation and Amortization.

FUNCTIONAL CLASSIFICATION – A presentation method for expenses under which expenses are aggregated and reported by the activities for which they were incurred. The classifications indicate why an expense was incurred rather than what was purchased. Functional classification definitions are set by the National Association of College and University Business Officers.

GLOSSARY OF TERMS (CONTINUED)

INSTRUCTION AND ACADEMIC SUPPORT – Expenditures for salaries, wages, and all other costs related to those engaged in the teaching function including operating costs of instructional departments. This would include the salaries of faculty, teaching assistants, lecturers, and teaching equipment. Library materials and related salaries are also included.

RESEARCH – Expenditures for salaries and wages and other costs associated with the support of research conducted by faculty members.

PUBLIC SERVICE – Expenditures for activities providing noninstructional services beneficial to individuals and groups external to the institution (e.g., conferences, institutes such as the Institute for Texan Cultures, general advisory services, reference bureaus, radio, and television).

HOSPITALS AND CLINICS – Expenditures of U.T. health-related institutions with teaching hospital affiliations for costs associated with providing patient care and operating the entity (i.e., labs, pharmacies, personnel salaries, etc.).

INSTITUTIONAL SUPPORT – Expenditures for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

STUDENT SERVICES – Expenditures for offices of admissions and of the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program.

OPERATION AND MAINTENANCE OF PLANT – Expenditures of current operating funds for the operation and maintenance of the physical plant. This includes all expenditures for operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. Specifically included are: salaries, wages, supplies materials, and other expenses necessary to keep each building in good repair and usable condition. Also includes expenses necessary to keep the buildings in a clean and sanitary condition, provide upkeep of all lands designated as campus proper (improved and unimproved) not occupied by actual buildings.

SCHOLARSHIPS AND FELLOWSHIPS – Expenditures for scholarships and fellowships in the form of grants to students resulting from selection by the institution or from an entitlement program. Amounts reported are net of the effects of tuition discounting.

AUXILIARY ENTERPRISES – Expenditures of essentially self-supporting institution enterprises (e.g., bookstores, dormitories, inter-collegiate athletic programs, etc.).

DEPRECIATION AND AMORTIZATION – A noncash expense that reduces the value of a capital asset as a result of wear and tear, age, or obsolescence. Also includes amortization expense, which is the gradual elimination of a liability in regular payments over a specified period of time. Also included is amortization of right-of-use assets in accordance with GASB guidance on accounting for leases and SBITA.

GLOSSARY OF TERMS (CONTINUED)

<u>Nonoperating Revenues (Expenses):</u>

STATE APPROPRIATIONS – Appropriations from the State of Texas General Revenue Fund, which supplement the U.T. institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support. The category also includes estimated state-paid fringe benefits costs. Although appropriated to each institution, funding for debt service on CCAP bonds has been budgeted at U.T. System Administration, where the debt service is actually paid.

FEDERAL SPONSORED PROGRAMS - NONOPERATING – Funding received from the federal government for which no exchange of goods or services is perceived to have occurred. This typically includes federal Pell Grants and other miscellaneous federal awards from the State of Texas.

STATE AND LOCAL SPONSORED PROGRAMS - NONOPERATING – Funding received from state or local governments for which no exchange of goods or services is perceived to have occurred. This typically includes Texas Research Incentive Program awards from the State of Texas and funding for the U.T. Austin Dell Medical School provided by the local health care district.

GIFTS IN SUPPORT OF OPERATIONS – Consist of public and private gifts used in current operations, excluding gifts for capital acquisition and endowment gifts.

NET INVESTMENT INCOME – Interest and dividend income, Long Term Fund and Permanent Health Fund distributions paid from current year income and patent and royalty income. The U.T. System share of distributions from the PUF to the AUF are also included for budget purposes.

OTHER NONOPERATING REVENUES (EXPENSES) – Revenues and expenses not directly associated with the primary missions of System institutions and not included in another category.

<u>Transfers and Other:</u>

AUF/APPROPRIATION TRANSFERS RECEIVED FOR OPERATIONS – State Appropriation or Available University Fund (AUF) transfers received from U.T. System Administration or other state agencies that are used to finance operational expenses included in this budget. This line item includes appropriation transfers received by institutions such as state Hazlewood and Texas Child Mental Health Care Consortium support. AUF and Appropriation Transfers Received for Operations are included in budgeted "revenue" in order to be incorporated into margin calculations.

AUF TRANSFERS (MADE) for Operations – Transfers made from U.T. System Administration's AUF primarily used to finance excellence at U.T. Austin and general administration at U.T. System Administration. To allow revenue totals to balance Systemwide, AUF Transfers Made are reported as a contra-revenue at U.T. System Administration.

TRANSFERS FOR DEBT SERVICE – INTEREST/LEASE/SBITA INTEREST – Reflects debt service activity at all U.T. institutions and includes only the interest portion of mandatory debt service transfers under the Revenue Financing System, CCAP bond and Permanent University Fund (PUF) bond programs. Also reported on this line is the reclassified portion of GASB 87 capitalized lease and SBITA activity that is attributable to interest.

THE UNIVERSITY OF TEXAS SYSTEM

INSTITUTION BUDGET HIGHLIGHTS

AND BUDGET SUMMARIES

The University of Texas System
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Budget Increases (Decreases) From 2025 to 2026: Percent
Operating Revenues:					
Tuition and Fees	$ 3,283,029,998	3,232,281,342	3,272,652,958	40,371,616	1.2%
Less Discounts and Allowances	(1,143,880,609)	(971,028,489)	(1,183,841,326)	(212,812,837)	21.9%
Federal Sponsored Programs	2,880,813,183	2,807,255,134	2,607,136,124	(200,119,010)	-7.1%
State Sponsored Programs	508,160,653	497,053,496	528,764,295	31,710,799	6.4%
Local and Private Sponsored Programs	2,913,319,298	2,741,378,681	3,013,952,097	272,573,416	9.9%
Net Sales and Services of Educational Activities	613,668,226	577,615,052	650,710,472	73,095,420	12.7%
Net Sales and Services of Hospital and Clinics	12,188,706,567	11,733,286,753	13,385,031,463	1,651,744,710	14.1%
Net Professional Fees	2,995,576,418	2,800,164,472	3,062,585,24[illegible]	262,420,768	9.4%
Net Auxiliary Enterprises	899,135,980	818,522,739	931,86[illegible]	113,341,171	13.8%
Other Operating Revenues	795,262,040	779,241,892	740[illegible],943	(38,550,949)	-4.9%
Total Operating Revenues	25,933,791,754	25,015,771,072	27,009,546,176	[illegible]993,775,104	8.0%
Operating Expenses:					
Compensation - Faculty	5,275,208,959	5,213,929,089	5,513,881,537	299,9[illegible],448	5.8%
Compensation - Non-Faculty	8,577,748,663	8,700,332,95[illegible]	8,901,454,836	201,121,884	2.3%
Wages	861,542,070	508,669[illegible]	89[illegible],402,058	385,732,883	75.8%
Benefits	3,960,805,161	3,866,143,8[illegible]	[illegible],186,777	329,042,927	8.5%
Personnel Costs	18,675,304,853	18,289,075,066	[illegible],504,925,208	1,215,850,142	6.6%
Utilities	319,177,100	348,528,924	369,855,602	21,326,678	6.1%
Scholarships and Fellowships	1,788,909,653	1,675,830,375	[illegible]779,776,829	103,946,454	6.2%
Less Discounts and Allowances	(1,153,940,212)	(979,231,495)	([illegible]906,908)	(215,675,413)	22.0%
Operations, Maintenance and Travel	11,309,334,66[illegible]	10,605,314,123	12,1[illegible]29,965	1,563,915,842	14.7%
Less Capitalized Portion and Cap Lease/SBITA	(1,780,329,5[illegible]	(1,669,306,773)	(2,000,255,640)	(330,948,867)	19.8%
Depreciation and Amortization	1,936,846,75[illegible]	[illegible],944,408	2,056,396,618	95,452,210	4.9%
Total Operating Expenses	31,095,303,285	30,23[illegible]	32,685,021,674	2,453,867,046	8.1%
Operating Surplus/Deficit	(5,161,511,531)	(5,[illegible]383,[illegible]	(5,675,475,498)	(460,091,942)	8.8%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	2,952,463,618	[illegible],925,690,720	3,300,125,584	374,434,864	12.8%
Federal Sponsored Programs (Nonoperating)	660,651,053	[illegible]45,030,769	587,906,349	42,875,580	7.9%
State/Local Sponsored Programs (Nonoperating)	43,660,595	45,818,299	84,299,928	38,481,629	84.0%
Gifts in Support of Operations	756,050,446	662,479,480	739,670,895	77,191,415	11.7%
Net Investment Income	[illegible]6,802	2,606,573,494	3,298,566,269	691,992,775	26.5%
Other Non-Operating Revenue	[illegible]	881,989	712,970	(169,019)	-19.2%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	7,377,062,514	6,786,474,751	8,011,281,995	1,224,807,244	18.0%
Transfers and Other:					
AUF/Approp/Other Transf[illegible]eceived for Oper[illegible]s	783,544,507	834,075,874	833,470,369	(605,505)	-0.1%
AUF/Approp/Other Tra[illegible] (Made) for Operatio[illegible]	(662,378,000)	(662,378,900)	(743,991,403)	(81,612,503)	12.3%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int	(531,573,069)	(622,013,375)	(631,079,820)	(9,066,445)	1.5%
Total Transfers and Other	(410,406,562)	(450,316,401)	(541,600,854)	(91,284,453)	20.3%
Budget Margin (Deficit)	$ 1,805,144,421	1,120,774,794	1,794,205,643	673,430,849	60.1%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other O[illegible]g Trsfrs	$ 33,432,020,775	31,973,942,797	35,110,307,137	3,136,364,340	9.8%
Total Expenses (Including Transfers for Interest)	(31,626,876,354)	(30,853,168,003)	(33,316,101,494)	(2,462,933,491)	8.0%
Budget Margin (Deficit)	$ 1,805,144,421	1,120,774,794	1,794,205,643	673,430,849	
Reconciliation to Use of Prior Year Balances					
Depreciation		1,960,944,408	2,056,396,618		
Capital Outlay		(1,495,734,744)	(1,777,000,344)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(848,760,240)	(1,007,954,652)		
Budgeted Transfers		(68,064,501)	(55,016,423)		
Net Additions to (Uses of) Prior Year Balances		669,159,717	1,010,630,842		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas System
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 6,318,340,544	6,253,024,201	6,588,404,788	335,380,587	5.4%
Academic Support	1,560,515,799	1,551,789,938	1,683,634,351	131,844,413	8.5%
Research	3,902,401,429	3,862,632,697	4,014,915,599	152,282,902	3.9%
Public Service	592,159,845	563,646,408	578,855,408	15,209,000	2.7%
Hospitals and Clinics	12,375,965,754	11,741,596,597	13,280,443,180	1,538,846,583	13.1%
Institutional Support	1,319,157,664	1,353,304,006	1,491,011,429	137,707,423	10.2%
Student Services	362,426,989	376,069,765	370,744,5[illegible]	(5,325,252)	-1.4%
Operations and Maintenance of Plant	1,123,262,994	1,015,413,049	1,047,8[illegible]44	32,430,495	3.2%
Scholarships and Fellowships	663,664,970	654,341,112	566,190,504	(88,150,608)	-13.5%
Auxiliary Enterprises	959,669,512	898,392,447	1,006,581,740	[illegible]189,293	12.0%
Depreciation and Amortization	1,917,737,786	1,960,944,408	2,056,396,618	9[illegible]210	4.9%
Total Operating Expenses	$ 31,095,303,286	30,231,154,628	32,685,021,674	2,453,867,046	8.1%

Operating Budget - Expenditures by F[illegible]
Fiscal Year Ending August 31, 2026

	FY 20[illegible] Adjust[illegible] Bu[illegible]	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ [illegible]322,875,643	11,244,586,566	921,710,923	8.9%
Designated	[illegible]798,040,647	15,315,838,345	1,517,797,698	11.0%
Auxiliary	[illegible]5,880,401	1,166,710,301	120,829,900	11.6%
Available University Fund	894,487,567	940,967,000	46,479,433	5.2%
Restricted	4,537,789,660	4,663,172,305	125,382,645	2.8%
Unexpended Plant	1,220,106,720	1,455,881,864	235,775,144	19.3%
Subtotal - Expenditures (All Funds)	32,215,950,074	35,239,566,780	3,023,616,706	9.4%
Reconciling Adjustments:				
Tuition Discounting	(979,231,495)	(1,194,906,908)	(215,675,413)	22.0%
Depreciation	1,960,944,408	2,056,396,618	95,452,210	4.9%
Capital Outlay	(1,495,734,744)	(1,777,000,344)	(281,265,600)	18.8%
Trsfrs for Debt Svc-Princi[illegible] Lease/SBITA Prin	(848,760,240)	(1,007,954,652)	(159,194,412)	18.8%
Total Expenses (Including Transfe[illegible] Interest)	$ 30,853,168,003	33,316,101,494	2,462,933,491	8.0%

Note: Operating Budget Highlights wit[illegible]lossa[illegible] terms are included on Page 1.

The University of Texas Academic Institutions
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 3,033,341,222	2,990,374,458	3,012,392,060	22,017,602	0.7%
Less Discounts and Allowances	(1,127,559,295)	(951,049,797)	(1,158,688,016)	(207,638,219)	21.8%
Federal Sponsored Programs	1,319,732,115	1,253,279,561	1,153,803,970	(99,475,591)	-7.9%
State Sponsored Programs	331,154,009	308,128,419	336,219,079	28,090,660	9.1%
Local and Private Sponsored Programs	390,557,408	344,044,059	355,923,218	11,879,159	3.5%
Net Sales and Services of Educational Activities	464,362,837	477,674,840	510,042,762	32,367,922	6.8%
Net Sales and Services of Hospital and Clinics	7,000,000	6,930,250	5,487,000	(1,443,250)	-20.8%
Net Professional Fees	35,650,978	39,644,526	50,863,421	11,218,895	28.3%
Net Auxiliary Enterprises	766,510,233	672,590,875	781,022,5[illegible]	108,431,665	16.1%
Other Operating Revenues	71,477,569	87,547,913	76,92[illegible]4	(10,619,909)	-12.1%
Total Operating Revenues	5,292,227,076	5,229,165,104	5,123[illegible],038	(105,171,066)	-2.0%
Operating Expenses:					
Compensation - Faculty	1,461,219,575	1,446,461,196	1,463,123,618	1[illegible],422	1.2%
Compensation - Non-Faculty	2,412,864,869	2,269,633,944	2,368,713,450	99,0[illegible]9,506	4.4%
Wages	225,128,289	209,837,5[illegible]	217,607,051	7,769,523	3.7%
Benefits	1,155,741,697	1,103,835[illegible]	1,1[illegible]6,566,444	92,730,897	8.4%
Personnel Costs	5,254,954,430	5,029,768,2[illegible]	[illegible]6,010,563	216,242,348	4.3%
Utilities	158,529,806	173,075,607	184,088,346	11,012,739	6.4%
Scholarships and Fellowships	1,728,809,373	1,610,140,792	1,713,657,824	103,517,032	6.4%
Less Discounts and Allowances	(1,137,618,898)	(959,252,803)	([illegible]69,753,598)	(210,500,795)	21.9%
Operations, Maintenance and Travel	2,543,272,344	2,374,797,615	2,[illegible]987,733	174,190,118	7.3%
Less Capitalized Portion and Cap Lease/SBITA	(445,118,06[illegible]	(283,450,309)	(32[illegible],160,027)	(41,709,718)	14.7%
Depreciation and Amortization	795,911,4[illegible]	833,340,810	846,053,103	12,712,293	1.5%
Total Operating Expenses	8,898,740,43[illegible]	[illegible]419,927	9,043,883,944	265,464,017	3.0%
Operating Surplus/Deficit	(2,825,458,822)	(2,94[illegible])	(3,441,643,191)	(499,908,897)	17.0%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	1,368,940,588	1,348,754,688	1,550,756,746	202,002,058	15.0%
Federal Sponsored Programs (Nonoperating)	635,153,097	528,060,181	569,293,944	41,233,763	7.8%
State/Local Sponsored Programs (Nonoperating)	43,660,595	45,818,299	69,138,179	23,319,880	50.9%
Gifts in Support of Operations	468,193,112	372,092,930	463,164,888	91,071,958	24.5%
Net Investment Income	768,955,507	597,761,911	669,898,065	72,136,154	12.1%
Other Non-Operating Revenue	–	881,989	712,970	(169,019)	-19.2%
Other Non-Operating (Expenses)	[illegible]	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	3,285,002,899	2,893,369,998	3,322,964,792	429,594,794	14.8%
Transfers and Other:					
AUF/Approp/Other Transfers [illegible]eived for Op[illegible]ons	570,343,090	619,657,431	585,712,631	(33,944,800)	-5.5%
AUF/Approp/Other Trans[illegible](Made) for Operat[illegible]	–	–	–	–	0.0%
Trsfrs for Debt Svc-Inter[illegible]Lease/SBITA Int	(159,419,908)	(156,469,690)	(168,034,510)	(11,564,820)	7.4%
Total Transfers and Other	410,923,182	463,187,741	417,678,121	(45,509,620)	-9.8%
Budget Margin (Deficit)	$ 89,412,719	(192,697,084)	(179,246,993)	13,450,091	-7.0%
Total Revenues and AUF/Approp/Othe[illegible]ra[illegible]rsfrs	$ 9,147,573,065	8,742,192,533	9,032,671,461	290,478,928	3.3%
Total Expenses (Including Transfers for Int[illegible])	(9,058,160,346)	(8,934,889,617)	(9,211,918,454)	(277,028,837)	3.1%
Budget Margin (Deficit)	$ 89,412,719	(192,697,084)	(179,246,993)	13,450,091	
Reconciliation to Use of Prior Year Balances					
Depreciation		833,340,810	846,053,103		
Capital Outlay		(248,138,824)	(289,185,161)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(173,002,487)	(179,832,590)		
Budgeted Transfers		(60,473,533)	(50,053,327)		
Net Additions to (Uses of) Prior Year Balances		159,028,882	147,735,032		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Academic Institutions
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 2,363,394,410	2,337,209,110	2,399,836,218	62,627,108	2.7%
Academic Support	987,837,166	980,734,165	1,061,579,088	80,844,923	8.2%
Research	1,380,159,190	1,375,365,059	1,416,395,376	41,030,317	3.0%
Public Service	250,771,262	237,498,190	260,281,318	22,783,128	9.6%
Hospitals and Clinics	237,492,770	219,976,074	241,363,942	21,387,868	9.7%
Institutional Support	581,274,909	596,630,633	629,971,739	33,341,106	5.6%
Student Services	330,946,936	339,433,241	329,799,1[illegible]	(9,634,093)	-2.8%
Operations and Maintenance of Plant	534,967,470	470,230,148	453,[illegible]54	(16,884,394)	-3.6%
Scholarships and Fellowships	608,836,297	612,706,720	526,246,093	[illegible]86,460,627)	-14.1%
Auxiliary Enterprises	846,257,549	775,295,777	879,012,165	[illegible]16,388	13.4%
Depreciation and Amortization	776,802,479	833,340,810	846,053,103	12,[illegible]293	1.5%
Total Operating Expenses	$ 8,898,740,438	8,778,419,927	9,043,883,944	265,464,017	3.0%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ [illegible],108,179,029	2,326,345,879	218,166,850	10.3%
Designated	[illegible]66,283,214	3,739,140,413	172,857,199	4.8%
Auxiliary	[illegible]97,132,904	1,009,819,086	112,686,182	12.6%
Available University Fund	557,842,000	535,967,000	(21,875,000)	-3.9%
Restricted	2,327,359,972	2,367,484,825	40,124,853	1.7%
Unexpended Plant	25,145,802	25,879,497	733,695	2.9%
Subtotal - Expenditures (All Funds)	9,481,942,921	10,004,636,700	522,693,779	5.5%
Reconciling Adjustments:				
Tuition Discounting	(959,252,803)	(1,169,753,598)	(210,500,795)	21.9%
Depreciation	833,340,810	846,053,103	12,712,293	1.5%
Capital Outlay	(248,138,824)	(289,185,161)	(41,046,337)	16.5%
Trsfrs for Debt Svc-Principa[illegible]ase/SBITA Prin	(173,002,487)	(179,832,590)	(6,830,103)	3.9%
Total Expenses (Including Transfers [illegible]nterest)	$ 8,934,889,617	9,211,918,454	277,028,837	3.1%

Note: Operating Budget Highlights with a[illegible] of terms are included on Page 1.

The University of Texas Health-Related Institutions
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Budget Increases (Decreases) From 2025 to 2026 Percent
Operating Revenues:						
Tuition and Fees	$	249,688,776	241,906,884	260,260,898	18,354,014	7.6%
Less Discounts and Allowances		(16,321,314)	(19,978,692)	(25,153,310)	(5,174,618)	25.9%
Federal Sponsored Programs		1,513,978,665	1,512,975,573	1,393,632,154	(119,343,419)	-7.9%
State Sponsored Programs		177,006,644	188,925,077	180,848,020	(8,077,057)	-4.3%
Local and Private Sponsored Programs		2,522,199,657	2,396,865,212	2,657,629,879	260,764,667	10.9%
Net Sales and Services of Educational Activities		146,754,665	96,454,246	132,731,911	36,277,665	37.6%
Net Sales and Services of Hospital and Clinics		12,181,706,567	11,726,356,503	13,379,544,463	1,653,187,960	14.1%
Net Professional Fees		2,959,925,440	2,760,519,946	3,011,721,81[illegible]	251,201,873	9.1%
Net Auxiliary Enterprises		132,625,747	145,931,864	150,841,[illegible]	4,909,506	3.4%
Other Operating Revenues		719,749,419	686,324,282	661,[illegible],939	(24,607,343)	-3.6%
Total Operating Revenues		20,587,314,266	19,736,280,895	21,80[illegible]74,143	2,067,493,248	10.5%
Operating Expenses:						
Compensation - Faculty		3,813,989,384	3,767,467,893	4,050,757,919	2[illegible]0,026	7.5%
Compensation - Non-Faculty		6,122,480,783	6,386,348,85[illegible]	6,483,156,657	96,807,807	1.5%
Wages		635,237,130	297,476,[illegible]	675,116,485	377,640,485	126.9%
Benefits		2,792,543,288	2,749,66[illegible]	2,[illegible]2,726,133	233,059,755	8.5%
Personnel Costs		13,364,250,585	13,200,959,1[illegible]	[illegible]191,757,194	990,798,073	7.5%
Utilities		160,647,294	175,453,317	185,767,256	10,313,939	5.9%
Scholarships and Fellowships		59,393,493	63,344,083	63,798,830	454,747	0.7%
Less Discounts and Allowances		(16,321,314)	(19,978,692)	(25,153,310)	(5,174,618)	25.9%
Operations, Maintenance and Travel		8,622,192,789	8,080,624,488	[illegible]676,229	1,321,051,741	16.3%
Less Capitalized Portion and Cap Lease/SBITA		(1,334,573,0[illegible]	(1,376,089,229)	(1,663,274,499)	(287,185,270)	20.9%
Depreciation and Amortization		1,118,002,1[illegible]	1,106,810,326	1,187,410,345	80,600,019	7.3%
Total Operating Expenses		21,973,591,96[illegible]	2[illegible]23,414	23,341,982,045	2,110,858,631	9.9%
Operating Surplus/Deficit		(1,386,277,697)	(1,4[illegible])	(1,538,207,902)	(43,365,383)	2.9%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		1,327,008,223	1,320,330,012	1,485,144,591	164,814,579	12.5%
Federal Sponsored Programs (Nonoperating)		22,223,125	16,970,588	18,612,405	1,641,817	9.7%
State/Local Sponsored Programs (Nonoperating)		–	–	–	–	0.0%
Gifts in Support of Operations		287,303,628	289,936,550	276,056,007	(13,880,543)	-4.8%
Net Investment Income		1,008,984,015	884,870,704	999,794,746	114,924,042	13.0%
Other Non-Operating Revenue		–	–	–	–	0.0%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		2,645,518,991	2,512,107,854	2,779,607,749	267,499,895	10.6%
Transfers and Other:						
AUF/Approp/Other Transfers Received for Operations		75,789,517	77,006,543	74,733,335	(2,273,208)	-3.0%
AUF/Approp/Other Transfers (Made) for Operations		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int		(179,115,038)	(180,442,943)	(199,943,042)	(19,500,099)	10.8%
Total Transfers and Other		(103,325,521)	(103,436,400)	(125,209,707)	(21,773,307)	21.0%
Budget Margin (Deficit)	$	1,155,915,773	913,828,935	1,116,190,140	202,361,205	22.1%

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$	23,308,622,774	22,325,395,292	24,658,115,227	2,332,719,935	10.4%
Total Expenses (Including Transfers for Interest)		(22,152,707,001)	(21,411,566,357)	(23,541,925,087)	(2,130,358,730)	9.9%
Budget Margin (Deficit)	$	1,155,915,773	913,828,935	1,116,190,140	202,361,205	
Reconciliation to Use of Prior Year Balances						
Depreciation			1,106,810,326	1,187,410,345		
Capital Outlay			(1,246,595,920)	(1,486,815,183)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(363,062,741)	(424,674,324)		
Budgeted Transfers			(3,176,307)	(1,780,003)		
Net Additions to (Uses of) Prior Year Balances			407,804,293	390,330,975		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Health-Related Institutions
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 3,954,946,134	3,915,815,091	4,188,568,570	272,753,479	7.0%
Academic Support	548,513,334	548,687,906	597,226,432	48,538,526	8.8%
Research	2,522,242,239	2,487,267,638	2,598,520,223	111,252,585	4.5%
Public Service	335,097,701	321,731,325	301,274,841	(20,456,484)	-6.4%
Hospitals and Clinics	12,138,472,984	11,521,620,523	13,039,079,238	1,517,458,715	13.2%
Institutional Support	572,956,913	584,978,618	629,265,430	44,286,812	7.6%
Student Services	31,480,053	36,636,524	40,945,3[illegible]	4,308,841	11.8%
Operations and Maintenance of Plant	584,159,617	545,182,901	594,4[illegible]90	49,314,889	9.0%
Scholarships and Fellowships	54,308,889	39,295,892	37,624,236	(1,671,656)	-4.3%
Auxiliary Enterprises	113,411,963	123,096,670	127,569,575	[illegible]472,905	3.6%
Depreciation and Amortization	1,118,002,137	1,106,810,326	1,187,410,345	80,[illegible]019	7.3%
Total Operating Expenses	$ 21,973,591,964	21,231,123,414	23,341,982,045	2,110,858,631	9.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ [illegible]214,696,614	8,918,240,687	703,544,073	8.6%
Designated	[illegible]210,264,038	11,553,919,529	1,343,655,491	13.2%
Auxiliary	[illegible]8,747,497	156,891,215	8,143,718	5.5%
Available University Fund	–	–	–	0.0%
Restricted	2,165,724,317	2,232,103,761	66,379,444	3.1%
Unexpended Plant	1,194,960,918	1,430,002,367	235,041,449	19.7%
Subtotal - Expenditures (All Funds)	21,934,393,384	24,291,157,559	2,356,764,175	10.7%
Reconciling Adjustments:				
Tuition Discounting	(19,978,692)	(25,153,310)	(5,174,618)	25.9%
Depreciation	1,106,810,326	1,187,410,345	80,600,019	7.3%
Capital Outlay	(1,246,595,920)	(1,486,815,183)	(240,219,263)	19.3%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(363,062,741)	(424,674,324)	(61,611,583)	17.0%
Total Expenses (Including Transfers for Interest)	$ 21,411,566,357	23,541,925,087	2,130,358,730	9.9%

Note: Operating Budget Highlights and a glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

The University of Texas System Administration
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

For more than 140 years, The University of Texas System has improved the lives of Texans and people all over the world through education, health care, and research. Under the direction of the U.T. System Board of Regents and the Chancellor, U.T. System Administration supports this commitment by fulfilling the statutory roles of oversight and coordination.

The budget includes state funding from the 89th Texas Legislature to establish the U.T. Research, Engineering, and Application Laboratory (REAL) for Healthcare AI. This will be combined with Available University Funds (AUF) identified in February 2025 to support health-related institutions, focusing on data integration and AI evaluation in healthcare.

U.T. System Administration continues to expand its presence in Laredo through the U.T. Education and Research Center at Laredo, which brings together U.T. San Antonio, U.T. Health Science Center – Houston, U.T. Rio Grande Valley, and U.T. Medical Branch – Galveston. The center offers health-focused degrees and certifications aimed at developing local talent and strengthening the region’s healthcare system.

Revenue

The FY 2026 $1.4 billion revenue budget includes an increase of $0.5 billion, or [illegible].6%, in total revenues and transfers over the FY 2025 budget. Federal sponsored program revenue increased by $18.7 million due to the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription coverage. State sponsored program revenue rose by $11.7 million with full biennial funding for the Joint Admission Medical Program (JAMP) from the Texas Higher Education Coordinating Board. State appropriations increased by $7.5 million for U.T. REAL AI and $700,000 for U.T. Education and Research Center at Laredo. The remainder of the increase is related to net investment income with a higher AUF distribution, reflecting the U.T. System commitment to maximizing institutional investments.

Expenses

The FY 2026 $562.3 million expense budget includes an increase of $55[illegible] million, or 11.0%, in total expenses and transfers over the FY 2025 budget. Compensation increased by $5.2 million (6.7% of total operating expenses), and employee benefits are projected to rise by $3.3 million (4.3%). The proposed budget includes adjustments for merit, market, and equity, with limited new positions. Minimal growth in U.T. System Administration operating expenses shows continued focus on workforce compensation.

Direct campus support rose by $30.6 million to cover higher costs for self-insurance, academic programs, technology, and shared services. Other key increases include $18.7 million for federal subsidy programs (EGWP), $11.7 million for JAMP, and $7.5 million for U.T. REAL Health AI. These are partially offset by a $22.0 million reduction in interest expense due to debt retirement and restructuring.

The University of Texas System Administration
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ –	–	–	–	0.0%
Less Discounts and Allowances	–	–	–	–	0.0%
Federal Sponsored Programs	47,102,403	41,000,000	59,700,000	18,700,000	45.6%
State Sponsored Programs	–	–	11,697,196	11,697,196	100.0%
Local and Private Sponsored Programs	562,233	469,410	399,000	(70,410)	-15.0%
Net Sales and Services of Educational Activities	2,550,724	3,485,966	7,935,799	4,449,833	127.6%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises	–	–	[illegible]	–	0.0%
Other Operating Revenues	4,035,052	5,369,697	2,[illegible]000	(3,323,697)	-61.9%
Total Operating Revenues	54,250,412	50,325,073	81,777,995	31,452,922	62.5%
Operating Expenses:					
Compensation - Faculty	–	–	–	–	0.0%
Compensation - Non-Faculty	42,403,011	44,350,15[illegible]	49,584,729	5,234,571	11.8%
Wages	1,176,651	1,355[illegible]	1,678,522	322,875	23.8%
Benefits	12,520,176	12,641,[illegible]	[illegible],894,200	3,252,275	25.7%
Personnel Costs	56,099,838	58,347,730	67,157,451	8,809,721	15.1%
Utilities	–	–	–	–	0.0%
Scholarships and Fellowships	706,787	2,345,500	2,320,175	(25,325)	-1.1%
Less Discounts and Allowances	–	–	–	–	0.0%
Operations, Maintenance and Travel	143,869,534	149,892,020	2[illegible]66,003	68,673,983	45.8%
Less Capitalized Portion and Cap Lease/SBITA	(638,4[illegible]	(9,767,235)	(11,821,114)	(2,053,879)	21.0%
Depreciation and Amortization	22,933,17[illegible]	[illegible]0,793,272	22,933,170	2,139,898	10.3%
Total Operating Expenses	222,970,884	22[illegible]87	299,155,685	77,544,398	35.0%
Operating Surplus/Deficit	(168,720,472)	(1[illegible]86,[illegible]	(217,377,690)	(46,091,476)	26.9%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	256,514,807	256,606,020	264,224,247	7,618,227	3.0%
Federal Sponsored Programs (Nonoperating)	3,274,831	–	–	–	0.0%
State/Local Sponsored Programs (Nonoperating)	–	–	15,161,749	15,161,749	100.0%
Gifts in Support of Operations	553,706	450,000	450,000	–	0.0%
Net Investment Income	[illegible]97,280	1,123,940,879	1,628,873,458	504,932,579	44.9%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	1,446,540,624	1,380,996,899	1,908,709,454	527,712,555	38.2%
Transfers and Other:					
AUF/Approp/Other Transf[illegible]eceived for Oper[illegible]s	137,411,900	137,411,900	173,024,403	35,612,503	25.9%
AUF/Approp/Other Tran[illegible] (Made) for Operatio[illegible]	(662,378,000)	(662,378,900)	(743,991,403)	(81,612,503)	12.3%
Trsfrs for Debt Svc-Interest[illegible]ase/SBITA Int	(193,038,123)	(285,100,742)	(263,102,268)	21,998,474	-7.7%
Total Transfers and Other	(718,004,223)	(810,067,742)	(834,069,268)	(24,001,526)	3.0%
Budget Margin (Deficit)	$ 559,815,929	399,642,943	857,262,496	457,619,553	114.5%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Op[illegible]ng Trsfrs	$ 975,824,936	906,354,972	1,419,520,449	513,165,477	56.6%
Total Expenses (Including Transfers for Interest)	(416,009,007)	(506,712,029)	(562,257,953)	(55,545,924)	11.0%
Budget Margin (Deficit)	$ 559,815,929	399,642,943	857,262,496	457,619,553	
Reconciliation to Use of Prior Year Balances					
Depreciation		20,793,272	22,933,170		
Capital Outlay		(1,000,000)	(1,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(312,695,012)	(403,447,738)		
Budgeted Transfers		(4,414,661)	(3,183,093)		
Net Additions to (Uses of) Prior Year Balances		102,326,542	472,564,835		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas System Administration
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
					Amount	Percent
Operating Expenses:						
Instruction	$	–	–	–	–	0.0%
Academic Support		24,165,299	22,367,867	24,828,831	2,460,964	11.0%
Research		–	–	–	–	0.0%
Public Service		6,290,882	4,416,893	17,299,249	12,882,356	291.7%
Hospitals and Clinics		–	–	–	–	0.0%
Institutional Support		164,925,842	171,694,755	231,774,260	60,079,505	35.0%
Student Services		–	–	[illegible]	–	0.0%
Operations and Maintenance of Plant		4,135,907	–	–	–	0.0%
Scholarships and Fellowships		519,784	2,338,500	2,320,175	(18,325)	-0.8%
Auxiliary Enterprises		–	–	–	–	0.0%
Depreciation and Amortization		22,933,170	20,793,272	22,933,170	2,[illegible]898	10.3%
Total Operating Expenses	$	222,970,884	221,611,287	299,155,685	77,544,398	35.0%

Operating Budget - Expenditures by F[illegible]
Fiscal Year Ending August 31, 2026

		FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Educational and General	$	148,236,484	452,410,399	304,173,915	205.2%
Designated		21,493,395	22,778,403	1,285,008	6.0%
Auxiliary		–	–	–	0.0%
Available University Fund		336,645,567	405,000,000	68,354,433	20.3%
Restricted		44,705,371	63,583,719	18,878,348	42.2%
Unexpended Plant		–	–	–	0.0%
Subtotal - Expenditures (All Funds)		799,613,769	943,772,521	392,691,704	49.1%
Reconciling Adjustments:					
Tuition Discounting		–	–	–	0.0%
Depreciation		20,793,272	22,933,170	2,139,898	10.3%
Capital Outlay		(1,000,000)	(1,000,000)	–	0.0%
Trsfrs for Debt Svc-Prin[illegible] & Lease/SBITA Prin		(312,695,012)	(403,447,738)	(90,752,726)	29.0%
Total Expenses (Including Trans[illegible]or Interest)	$	506,712,029	562,257,953	304,078,876	60.0%

Note: Operating Budget Highlights w[illegible] glossary [illegible] terms are included on Page 1.

THE UNIVERSITY OF TEXAS

AT ARLINGTON

The University of Texas at Arlington
Operating Budget Highlights
Fiscal Year Ending Aug 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas at Arlington has worked tirelessly to create a strategic plan that outlines the University's top priorities and goals over the next five years. The five Strategic Themes for guiding this growth are People and Culture, Student Success, Research and Innovation, Alumni and Community Engagement, and Finance and Infrastructure. U.T. Arlington is committed to making college education affordable and to providing access to exceptional academic programs. The operating budget was developed with emphasis on balancing instructional needs, operational and inflationary costs, strategic and aspirational themes, enrollment strategy, and compensation. The FY 2026 operating budget was created through the desired outcomes of the strategic plan with these five thematic areas in mind. In people and culture, the desired outcomes are to focus on collaborative culture among faculty, staff, and students, motivated and highly developed employees, enhanced internal processes, including communication and decision making and strengthened leadership and teamwork through belonging and engagement. In student success, the desired outcomes are to achieved academic excellence and mastery of key concepts across multiple disciplines, enhanced academic, personal, social, and emotional development, students equipped with knowledge, skills, and mindset to succeed in college and beyond, and engaged students who positively impact the communities they live in. In alumni and community engagement, the desired outcomes are to engaged and active alumni base, strengthened brand awareness, increased philanthropic commitment, and coordinated efforts with the community. In research and innovation, the desired outcomes are increased visibility of interdisciplinary research, create work, and scholarship, strategic partnerships, and alliances to advance scholarship, vibrant research and innovation ecosystem within the University, improved research grant success rates, and increased research expenditures. In finance and infrastructure, the desired outcomes are effective processes that promote operational and strategic agility, optimized use of technology, accessible resources needed to advance the mission, and discipline financial stewardship.

Revenue

The FY 2026 $876.7 million revenue budget includes a decrease of $44.2 million, or 4.8%, in total revenues and transfers over the FY 2025 budget. Based on enrollment projections, general student tuition revenue is expected to decline $13 million - $15.6 million in FY 2026 when compared to the FY 2025 budget. Undergraduate projections were reduced by 300 students due to new ruling on undocumented students receiving in-state tuition. A 40% reduction in international graduate students - source of non-resident tuition revenue. Based on enrollment projections, mandatory fees are expected to decline $1.1 million in FY 2026. In addition over the next two years, federal grant and contract revenue related to research is expected to decrease $34 million, resulting in Indirect Cost (IDC) revenue declining $11.4 million. For FY 2026 IDC distributions will be reduced by 25% as a preemptive measure to smooth funding over the new two years. Non operating revenue decreased in FY 2026, B-On-Time and National Research Support Fund were included in non operating revenue budget for FY 2025.

Expenses

The FY 2026 $898.9 million expense budget includes a decrease of $29.8 million, or 3.2%, in total expenses and transfers over the FY 2025 budget. For FY 2026, U.T. Arlington will implement strategic reallocation of resources to continue to align resources with strategic objectives while also minimizing any potential impact on students. Budget decreases will be focused on implementing FY 2026 operating budget strategies, freeze on hiring, reclassification, and all other salary adjustments, restrict the purchase of any software unless it is a replacement that reduces annual cost, reduces future labor cost, and increase efficiency. U.T. Arlington has taken steps to control costs and minimize risks of potential economic factors. Cost containment strategies will continuously focus on areas where expenses can be reduced and greater efficiencies achieved to enable a very high-quality education at an affordable cost.

The University of Texas at Arlington
Operating Budget
Fiscal Year Ending Aug 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Budget Increases (Decreases) From 2025 to 2026: Percent
Operating Revenues:					
Tuition and Fees	$ 526,859,936	516,042,152	498,443,738	(17,598,414)	-3.4%
Less Discounts and Allowances	(137,247,013)	(129,010,538)	(174,455,308)	(45,444,770)	35.2%
Federal Sponsored Programs	98,478,886	86,880,554	89,781,849	2,901,295	3.3%
State Sponsored Programs	31,796,288	34,167,470	38,055,694	3,888,224	11.4%
Local and Private Sponsored Programs	15,672,849	15,325,002	15,325,000	(2)	0.0%
Net Sales and Services of Educational Activities	35,648,017	27,516,869	37,996,544	10,479,675	38.1%
Net Sales and Services of Hospital and Clinics	–	–	–	–	–
Net Professional Fees	–	–	[illegible]	–	–
Net Auxiliary Enterprises	41,115,368	49,858,153	55,03[illegible]	5,172,361	10.4%
Other Operating Revenues	10,077,684	38,966,819	14[illegible],382	(24,373,437)	-62.5%
Total Operating Revenues	622,402,015	639,746,481	574,771,413	(64,975,068)	-10.2%
Operating Expenses:					
Compensation - Faculty	173,107,722	165,074,951	164,515,931	([illegible]9,020)	-0.3%
Compensation - Non-Faculty	195,211,159	192,260,98[illegible]	200,772,494	8,511,510	4.4%
Wages	29,087,707	41,940[illegible]	41,418,190	(521,987)	-1.2%
Benefits	121,104,960	129,816,0[illegible]	[illegible],191,552	1,375,455	1.1%
Personnel Costs	518,511,548	529,092,209	537,898,167	8,805,958	1.7%
Utilities	11,144,944	11,144,944	11,122,577	(22,367)	-0.2%
Scholarships and Fellowships	232,284,180	208,875,887	196,284,922	(12,590,965)	-6.0%
Less Discounts and Allowances	(137,247,013)	(129,010,538)	([illegible],455,308)	(45,444,770)	35.2%
Operations, Maintenance and Travel	209,262,303	269,658,450	2[illegible]38,581	18,180,131	6.7%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(30,189,020)	(30,490,904)	(301,884)	1.0%
Depreciation and Amortization	57,828,275	[illegible]7,828,275	58,406,562	578,287	1.0%
Total Operating Expenses	891,784,237	91[illegible]	886,604,597	(30,795,610)	-3.4%
Operating Surplus/Deficit	(269,382,222)	(2[illegible]53,7[illegible])	(311,833,184)	(34,179,458)	12.3%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	170,195,071	169,637,611	179,043,721	9,406,110	5.5%
Federal Sponsored Programs (Nonoperating)	107,688,338	[illegible]70,000,000	70,000,000	–	0.0%
State/Local Sponsored Programs (Nonoperating)	100,000	902,500	12,933,128	12,030,628	1333.0%
Gifts in Support of Operations	15,119,999	5,566,382	4,392,404	(1,173,978)	-21.1%
Net Investment Income	[illegible]54,507	31,052,529	32,145,567	1,093,038	3.5%
Other Non-Operating Revenue	[illegible]	–	–	–	–
Other Non-Operating (Expenses)	–	–	–	–	–
Net Non-Operating Revenue/(Expenses)	352,557,915	277,159,022	298,514,820	21,355,798	7.7%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	3,370,599	3,928,059	3,370,599	(557,460)	-14.2%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	–
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(11,261,545)	(11,261,545)	(12,301,285)	(1,039,740)	9.2%
Total Transfers and Other	(7,890,946)	(7,333,486)	(8,930,686)	(1,597,200)	21.8%
Budget Margin (Deficit)	$ 75,284,747	(7,828,190)	(22,249,050)	(14,420,860)	184.2%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 978,330,529	920,833,562	876,656,832	(44,176,730)	-4.8%
Total Expenses (Including Transfers for Interest)	(903,045,782)	(928,661,752)	(898,905,882)	29,755,870	-3.2%
Budget Margin (Deficit)	$ 75,284,747	(7,828,190)	(22,249,050)	(14,420,860)	
Reconciliation to Use of Prior Year Balances					
Depreciation		57,828,275	58,406,562		
Capital Outlay		(29,969,614)	(30,269,301)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(9,507,656)	(9,732,843)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		10,522,815	(3,844,632)		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at Arlington
Operating Budget - Operating Expenses by Function
Fiscal Year Ending Aug 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 257,305,622	258,341,546	239,842,631	(18,498,915)	-7.2%
Academic Support	67,383,176	80,769,401	85,021,019	4,251,618	5.3%
Research	127,321,902	145,686,614	157,527,095	11,840,481	8.1%
Public Service	26,332,223	19,864,697	18,735,149	(1,129,548)	-5.7%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	66,544,489	108,273,874	108,114,502	(159,372)	-0.1%
Student Services	93,802,436	92,342,074	90,003,[illegible]	(2,338,090)	-2.5%
Operations and Maintenance of Plant	50,944,012	37,132,713	39,[illegible],782	2,477,069	6.7%
Scholarships and Fellowships	68,278,556	57,465,591	14,428,695	[illegible]43,036,896)	-74.9%
Auxiliary Enterprises	71,704,673	59,695,422	74,915,178	[illegible]19,756	25.5%
Depreciation and Amortization	62,167,148	57,828,275	58,406,562	[illegible]287	1.0%
Total Operating Expenses	$ 891,784,237	917,400,207	886,604,597	(30,795,610)	-3.4%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending Aug 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ 291,080,942	291,690,715	609,773	0.2 %
Designated	[illegible]82,689,705	483,585,806	896,101	0.2 %
Auxiliary	87,438,529	101,121,801	13,683,272	15.6 %
Available University Fund	–	–	–	0.0 %
Restricted	176,327,583	176,710,029	382,446	0.2 %
Unexpended Plant	1,784,526	1,848,421	63,895	3.6 %
Subtotal - Expenditures (All Funds)	1,039,321,285	1,054,956,772	15,635,487	1.5 %
Reconciling Adjustments:				
Tuition Discounting	(129,010,538)	(174,455,308)	(45,444,770)	35.2 %
Depreciation	57,828,275	58,406,562	578,287	1.0 %
Capital Outlay	(29,969,614)	(30,269,301)	(299,687)	1.0 %
Trsfrs for Debt Svc-Princi[illegible]Lease/SBITA Prin	(9,507,656)	(9,732,843)	(225,187)	2.4 %
Total Expenses (Including Transfe[illegible] Interest)	$ 928,661,752	898,905,882	(29,755,870)	(3.2)%

Note: Operating Budget Highlights wit[illegible]lossa[illegible] terms are included on Page 1.

THE UNIVERSITY OF TEXAS AT AUSTIN

The University of Texas at Austin
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The FY 2026 budget builds on recent progress in supporting student affordability, enhancing infrastructure, and strengthening long-term financial stewardship. Key highlights include expanded funding for student scholarships through the Texas Advance Commitment, increased investment in capital improvement projects to address deferred maintenance, and the development of additional on-campus housing options. These efforts reflect the University's continued commitment to student success and academic excellence.

The FY 2026 budget also reflects targeted investments that support The University of Texas at Austin's mission of teaching, research, and public service. Major capital projects include new housing along the East Campus corridor and renovations to residence halls such as Moore-Hill and Jester West, aimed at expanding affordable campus housing options and improving the on-campus experience, and the recently approved boiler project for the University's power plant, an important investment in utility infrastructure. Academic innovation remains a priority, with continued investment in interdisciplinary programs and the launch of the School of Civic Leadership (supported by a $100 million capital investment from The University of Texas System), which will prepare students to engage with complex societal challenges through service, policy, and public leadership.

At the same time, U.T. Austin is investing in initiatives that reinforce its standing as a leading global research institution. Funding will support the development of a shared core research facility focused on advanced materials and biosciences and expand the AI Innovation Lab into a campus-wide Center for AI and Data Science in Society. These efforts will foster cross-disciplinary collaboration. The University is also advancing its investment in the hospital and medical district, including new clinical training spaces and integrated care programs in partnership with U.T. Austin's Dell Medical School and local providers—reinforcing its role in serving both campus and community.

These investments reflect U.T. Austin's long-term vision to serve both campus and community while remaining a top destination for students, researchers, and faculty.

Given the significant federal budget cuts proposed for research funding in FY 2026, the outlook for federal research funding is highly uncertain next year and beyond. Some of the proposed cuts to [illegible] have been paused, but short-term impacts are already being realized in the form of delayed awards and grant freezes. The FY 2026 University budget reflects federal research funding at a level that reflects consideration of both a portfolio of established grants for high-impact research and a reduced level of new awards.

Revenue

The FY 2026 $4.6 billion revenue budget includes an increase of $0.3 billion, or 6.9%, in total revenues and transfers over the FY 2025 budget. Total operating revenue for FY 2026 reflects a conservative projected increase of 1.9%. While revenues from federal sponsored project funding are expected to decrease by 7.6%, this decrease is offset by strong growth in other areas with Auxiliary enterprise income projected to increase by $96.[illegible] million. Non-operating revenue is also expected to grow significantly due to an increase in state appropriations, including an increase of $49.9 million in formula support-of which $15.8 million is for the U.T. Austin Academic Medical Center. An increase of $56.4 million was appropriated in non-formula support for U.T. Austin, with targeted investments such as $40.0 million for advanced computing initiatives and $12.1 million for the Clement's Center for National Security.

Expenses

The FY 2026 $4.5 billion expense budget includes an increase of $0.1 billion, or 3.4%, in total expenses and transfers over the FY 2025 budget. Budgeted expenses for FY 2026 reflect a 2.0% merit pool and a 15.5% increase in benefits. Operating expenses for operations, maintenance, and travel are expected to rise by $77.4 million, reflecting investments in physical and information technology infrastructure and inflation. Utility costs are projected to increase by $7.0 million (7.7%) due to rate adjustments and increased campus demand.

The University of Texas at Austin
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 785,032,581	782,963,187	791,135,786	8,172,599	1.0%
Less Discounts and Allowances	(214,032,581)	(208,949,999)	(217,190,000)	(8,240,001)	3.9%
Federal Sponsored Programs	886,945,266	833,883,503	770,174,653	(63,708,850)	-7.6%
State Sponsored Programs	80,809,782	82,135,572	80,801,116	(1,334,456)	-1.6%
Local and Private Sponsored Programs	320,344,953	272,265,727	287,563,355	15,297,628	5.6%
Net Sales and Services of Educational Activities	334,000,000	364,287,160	378,152,272	13,865,112	3.8%
Net Sales and Services of Hospital and Clinics	7,000,000	6,930,250	5,487,000	(1,443,250)	-20.8%
Net Professional Fees	18,000,000	20,134,171	18,172,1[illegible]	(1,961,981)	-9.7%
Net Auxiliary Enterprises	464,100,000	357,136,276	453,79[illegible]	96,659,381	27.1%
Other Operating Revenues	5,600,000	16,443,595	8,[illegible],297	(8,355,298)	-50.8%
Total Operating Revenues	2,687,800,001	2,527,229,442	2,576,180,326	48,950,884	1.9%
Operating Expenses:					
Compensation - Faculty	583,943,207	578,528,329	595,615,768	17,[illegible],439	3.0%
Compensation - Non-Faculty	1,387,535,849	1,257,391,33[illegible]	1,325,686,421	68,295,082	5.4%
Wages	46,420,944	34,566,[illegible]	46,436,160	11,869,227	34.3%
Benefits	540,300,000	474,402,8[illegible]	[illegible],831,075	73,428,217	15.5%
Personnel Costs	2,558,200,000	2,344,889,459	[illegible],515,569,424	170,679,965	7.3%
Utilities	81,000,000	91,663,913	98,681,005	7,017,092	7.7%
Scholarships and Fellowships	452,632,581	477,457,859	495,211,170	17,753,311	3.7%
Less Discounts and Allowances	(214,032,581)	(208,949,999)	([illegible],190,000)	(8,240,001)	3.9%
Operations, Maintenance and Travel	1,334,298,798	1,256,469,724	1,3[illegible]87,688	77,417,964	6.2%
Less Capitalized Portion and Cap Lease/SBITA	(174,798,7[illegible]	(96,865,223)	(191,623,355)	(94,758,132)	97.8%
Depreciation and Amortization	378,500,000	[illegible],369,943	388,650,455	(22,719,488)	-5.5%
Total Operating Expenses	4,415,800,000	4,27[illegible]76	4,423,186,387	147,150,711	3.4%
Operating Surplus/Deficit	(1,727,999,999)	(1,7[illegible]06,2[illegible]	(1,847,006,061)	(98,199,827)	5.6%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	406,900,000	406,882,646	516,148,717	109,266,071	26.9%
Federal Sponsored Programs (Nonoperating)	74,300,000	74,300,000	74,300,000	–	0.0%
State/Local Sponsored Programs (Nonoperating)	35,000,000	35,000,000	35,000,000	–	0.0%
Gifts in Support of Operations	366,200,000	303,590,833	393,718,481	90,127,648	29.7%
Net Investment Income	[illegible]0,000	393,599,547	430,413,506	36,813,959	9.4%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	1,371,800,000	1,213,373,026	1,449,580,704	236,207,678	19.5%
Transfers and Other:					
AUF/Approp/Other Transfer[illegible]ceived for Opera[illegible]	524,967,000	531,907,665	542,850,263	10,942,598	2.1%
AUF/Approp/Other Trans[illegible]Made) for Operation[illegible]	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int	(82,400,000)	(78,135,641)	(80,360,837)	(2,225,196)	2.8%
Total Transfers and Other	442,567,000	453,772,024	462,489,426	8,717,402	1.9%
Budget Margin (Deficit)	$ 86,367,001	(81,661,184)	65,064,069	146,725,253	-179.7%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Op[illegible]g Trsfrs	$ 4,584,567,001	4,272,510,133	4,568,611,293	296,101,160	6.9%
Total Expenses (Including Transfers for Interest)	(4,498,200,000)	(4,354,171,317)	(4,503,547,224)	(149,375,907)	3.4%
Budget Margin (Deficit)	$ 86,367,001	(81,661,184)	65,064,069	146,725,253	
Reconciliation to Use of Prior Year Balances					
Depreciation		411,369,943	388,650,455		
Capital Outlay		(87,296,659)	(180,042,763)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(71,329,574)	(74,825,358)		
Budgeted Transfers		(57,961,837)	(51,271,254)		
Net Additions to (Uses of) Prior Year Balances		113,120,689	147,575,149		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at Austin
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 1,160,594,000	1,110,967,197	1,159,976,382	49,009,185	4.4%
Academic Support	551,014,356	527,453,076	557,165,827	29,712,751	5.6%
Research	765,138,044	732,420,870	744,302,675	11,881,805	1.6%
Public Service	165,112,038	158,051,875	181,133,163	23,081,288	14.6%
Hospitals and Clinics	182,940,242	175,117,748	173,655,830	(1,461,918)	-0.8%
Institutional Support	240,673,110	230,381,968	256,540,903	26,158,935	11.4%
Student Services	68,343,921	65,421,546	58,586,[illegible]	(6,835,382)	-10.4%
Operations and Maintenance of Plant	211,210,184	202,178,872	157,[illegible],011	(44,443,861)	-22.0%
Scholarships and Fellowships	259,446,228	248,352,351	258,591,642	[illegible]0,239,291	4.1%
Auxiliary Enterprises	432,827,877	414,320,230	486,848,335	[illegible]28,105	17.5%
Depreciation and Amortization	378,500,000	411,369,943	388,650,455	(22,[illegible]488)	-5.5%
Total Operating Expenses	$ 4,415,800,000	4,276,035,676	4,423,186,387	147,150,711	3.4%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

	FY 202[illegible] Adj[illegible]d [illegible]get	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ 572,629,000	691,970,475	119,341,475	20.8%
Designated	[illegible]76,463,612	1,565,680,816	89,217,204	6.0%
Auxiliary	[illegible]82,007,856	469,172,885	87,165,029	22.8%
Available University Fund	557,842,000	535,967,000	(21,875,000)	-3.9%
Restricted	1,314,935,138	1,317,663,714	2,728,576	0.2%
Unexpended Plant	6,500,000	6,500,000	–	0.0%
Subtotal - Expenditures (All Funds)	4,310,377,606	4,586,954,890	276,577,284	6.4%
Reconciling Adjustments:				
Tuition Discounting	(208,949,999)	(217,190,000)	(8,240,001)	3.9%
Depreciation	411,369,943	388,650,455	(22,719,488)	-5.5%
Capital Outlay	(87,296,659)	(180,042,763)	(92,746,104)	106.2%
Trsfrs for Debt Svc-Princi[illegible]Lease/SBITA Prin	(71,329,574)	(74,825,358)	(3,495,784)	4.9%
Total Expenses (Including Transfe[illegible]Interest)	$ 4,354,171,317	4,503,547,224	149,375,907	3.4%

Note: Operating Budget Highlights wit[illegible] terms are included on Page 1.

The University of Texas at Austin
Application of Available University Fund (AUF)
Recommended Budget 2025-2026

The mission of the University is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research, and public service. And all sources of funds (appropriated, AUF, tuition, grants, and gifts) are expended to this end.

According to the Texas Constitution, the AUF is appropriated for the support and maintenance of the University. Over the years, the AUF has provided the margin of excellence that permits U.T. Austin to achieve and maintain its place as one of the premier public institutions of higher education in the nation.

The margin of excellence and operations support of the University are described below:

Excellence in Mission:		**$ 353,715,151**
Instructional Excellence		
Enhanced Academic Programs	$ 180,305,462	

Academic initiatives at the college and departmental level enhanced by the AUF include curriculum innovation, development of new degree programs, interdisciplinary program planning and coordination, honors programs, internship programs, academic technology and facility support, K-12 and community outreach activities, and continuing education. It also includes reserves to be allocated by executive leadership.

Instructional Program Services — 29,899,853

These services include educational innovation, student success initiatives, college computing and networking services, instructional and technology enhanced teaching support, provision of Web-based student-faculty communication platforms, teaching effectiveness services, credit by examination, new and experienced faculty training, assessment methods, student course-instructor evaluations, the U.T. Elementary School, and coordination of University-wide K-12 activities. Services also includes administration and coordination of classroom space for the College of Natural Sciences.

Instructional Initiatives and Programs — 17,114,115

The Undergraduate College was developed to enhance the education for all undergraduates through core curriculum, advising, learning communities, signature courses, interdisciplinary programs, and research.

Other instructional initiatives and programs include course transformation and innovation as well as visiting lecturers. Students have access to specialized centers for design and creative technology; pharmacy and nursing experiences; and fine arts productions. Instructional initiatives also includes funds for support for Texas Student Media as well as the Distinguished Service Academy.

Academic Infrastructure (Libraries, Instructional Technology) — 33,067,963

Instructional technology services include providing access to computing, voice and data networks, internet, and email. Library services include access to comprehensive print and digital resources supporting all disciplines, and access to specialized collections within the Humanities Research Center, and the Benson Latin American Collection.

Student Programs and Services — 10,597,172

These services encompass new student orientation, career services, welcoming and mentoring programs, enrollment management, student organizations, campus and community involvement, Greek life, services for students with disabilities, student governance, judicial services and volunteer and service learning. Services include funding for the Center for Career Exploration and Development to help students achieve the skills, experiences, and co-curricular knowledge needed for life after graduation. Funding is included for the Graduation Help Desk as well as AUF student support for the College of Natural Sciences.

Research Excellence

Research Competitiveness 71,573,060

Support is provided for the critical research infrastructure required for faculty to be competitive for federal, state, and private sector research grant funding, to meet the ever increasing regulatory and compliance requirements associated with this external funding, to provide specialized services for areas such as animal care and high performance computing, and to help support research centers and institutes targeting areas critical to the economic development of Texas and the nation. Additionally debt service funding for a centralized portion of Dell Medical School's Health Discovery Building is included.This also includes AUF support for the Civitas Institute.

School of Civic Leadership - Civitas Institute 8,090,557

The Civitas Institute was established to be a world-class enterprise at the state's flagship institution dedicated to the study and teaching of individual liberty, limited government, private enterprise and free markets. The institute will educate students – at both the university and high school levels – on the moral, cultural, philosophical and historical foundations of a free society, including the civil liberties, republican institutions, and democratic control. The Civitas Institute is housed within the new School of Civic Leadership. The School of Civic Leadership will welcome its first class of undergraduate Civics Honors majors in the Fall of 2025.

Outreach Excellence

Academic Program/Community Interface 3,066,969

These programs help define and characterize the role of a flagship institution within the larger community and include such units as: Texas Performing Arts, Blanton Museum, and Winedale Historical Center.

Recruitment and Retention of Talent: **$ 88,611,038**

Faculty 615,816

U.T. Austin is committed to continuing to advance as one of the world's finest universities. Achieving this goal is directly connected to our ability to recruit and retain faculty of the highest caliber. U.T. Austin must compete for this top talent.

K-12 Outreach and Undergraduate Students 15,040,685

Funds for various admission, scholarship and retention programs help ensure the quality and diversity of students and make a high quality education affordable and accessible to qualified students. The University Outreach Centers provide an intensive college preparatory program for under-represented students beginning in eighth grade and continuing through high school. The purpose is to increase the number of educationally disadvantaged students who graduate from Texas high schools prepared to matriculate and be successful in Texas colleges and universities.

Texas Advancement Commitment 23,500,000

First implemented in 2018, the Texas Advance Commitment is U.T. Austin's commitment to making a U.T. education even more affordable, transparent, and understandable for Texas students and families from middle- and low-income backgrounds with financial need. Texas Advance Commitment was expanded in Fall 2020 to increase income levels served through a new endowment created by The University of Texas System Board of Regents. In Fall 2024, The University of Texas System Board of Regents announced further expansion to the endowment beginning Fall 2025. Under this expansion, Texas residents entering U.T. Austin as freshmen or transfer students, as well as continuing students with family-adjusted gross incomes (AGIs) of up to $100,000, will have tuition covered with gift monies up to tuition. Students with family AGIs between $100,000 and $125,000 will receive some financial assistance to help offset the cost of their tuition at U.T. Austin.

Graduate Students	49,454,537

The intellectual and research accomplishments of the University depend critically on our ability to recruit and retain the very best graduate students from across the nation. These funds provide the scholarships, fellowships and infrastructure support necessary for U.T. Austin to compete with its peer institutions for these excellent students. Funding includes support for the graduate student investment initiative providing fellowship funds to selective colleges/programs to improve quality of students and to enable graduate student support/funding packages competitive with peer universities. Funding is included for TA/AI salaries and to support recruitment fellowships. Includes additional funds for fellowships in STEM programs.

Institutional Accountability and Enhanced Connections to the Public **$ 61,798,347**

Institutional accountability programs and offices are dedicated to providing support services for excellence in teaching, research, and public service. Development efforts expand private support by presenting evidence of the University's distinctive character, valuable service, and efficient management. University Communications has leadership responsibility for the institution's interaction with the media and with the public at large. The Office of the Executive Vice President and Provost serves as the chief academic officer of the university overseeing the academic programs on campus. The Office of Institutional Reporting, Research, and Information Systems provides information and analytical support to university decision makers and submits numerous reports to the Texas Higher Education Coordinating Board and the Department of Education. Financial and Administrative Services is dedicated to enhancing the development and delivery of most supporting services for on-campus clients, including public and environmental safety and the integrity of the physical infrastructure of the campus. The Data to Insights project uses business intelligence tools to provide critical information to University decision makers. Support also includes funding for Workday, the Senior Vice Provost for Global Engagement, and the Division of Investigation and Adjudication, which investigations allegations of discrimination, harassment and other prohibited conduct. Includes funding for EBITs as well as Information Technology Services.

Dell Medical School **$ 28,910,903**

The Dell Medical School at The University of Texas at Austin improves health in Travis County and throughout the country by training new physicians, providing treatment in a new teaching hospital and conducting research to expand knowledge of medicine and medical technology.

U.T. System **$ 2,931,561**

The U.T. System Office of Telecommunication Services and the Network Bandwidth were established by the U.T. System Board of Regents to provide other U.T. campuses with inter-institutional voice, video, and computer communications in support of their missions of instruction and research. These services are managed by U.T. Austin, and therefore, appear in U.T. Austin's budget. Funding includes Cyberinfrastructure Support to provide additional computing power for research throughout the U.T. System.

U.T. Austin AUF Budget **$ 535,967,000**

THE UNIVERSITY OF TEXAS AT DALLAS

The University of Texas at Dallas
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas at Dallas is a leading public research university located in one of the fastest-growing metropolitan regions in the United States. With more than 29,000 students enrolled across seven schools, U.T. Dallas offers over 150 academic programs at the undergraduate and graduate levels, along with professional certificates and fast-track options. The University is classified as a Carnegie R1 institution, reflecting very high research activity and strong doctoral production, with nationally recognized programs in science, technology, engineering, mathmatics, management, liberal arts, and the social sciences.

In 2021, the University launched New Dimensions: The Campaign for U.T. Dallas, a $750 million comprehensive fundraising initiative focused on student success, research excellence, and cultural enrichment. As of May 2025, the campaign has raised $444.0 million, or nearly 60.0% of its goal. During this time, the University's endowment reached a record high of $880.0 million, an increase of $179.0 million since the start of the campaign. The momentum behind the campaign continues to strengthen the University's long-term financial position and ability to invest in its strategic priorities.

Fall 2024 enrollment declined by 3.3%, from 30,885 to 29,886 students. This decline is largely attributed to the normalization of international master's enrollment following a post-pandemic surge and the graduation of unusually large cohorts whose enrollment had previously been delayed. Despite this decline, U.T. Dallas continues to attract high-achieving resident students and anticipates its largest incoming cohorts of first-time-in-college and doctoral students, along with a 20.0% or an increase of 150 students in new resident master's enrollment for Fall 2025. The quality and diversity of the applicant pools remain strong across all academic levels.

The 88th Texas Legislative Session resulted in a temporary increase in formula funding for U.T. Dallas, reflecting the earlier surge in graduate enrollment. The recent enrollment decline in heavily weighted academic levels and disciplines resulted in a reduction in formula funding. This decrease was partially offset by legislative investments in the National Research Support Fund, the release of $90.0 million in Texas Research Incentive Program funding, and one-time institutional enhancement, resulting in a net decline of $4.5 million annually in total state support.

To preserve financial stability in the absence of tuition rate increases, U.T. Dallas froze the annual merit program and suspended institution-wide staff salary increases for FY 2026. In addition, a [illegible]% budget reduction is implemented evenly across all academic and administrative units. These reductions were primarily absorbed through the elimination of vacant staff positions and reductions in discretionary spending, while ensuring that key strategic and operational areas were maintained.

Although certain precautionary actions were necessary, the FY 2026 budget supports the University's continued investments in academic and research excellence. The FY 2026 budget includes a faculty salary reserve to support the recruitment of new tenured and tenure-track faculty, a debt service reserve to address projected increases in FY 2027, and targeted funding to advance teaching, research, and strategic initiatives identified by the senior leadership and campus community as part of the FY 2026 budget development process.

Revenue

The FY 2026 $907.[illegible] million revenue budget includes a decrease of $31.7 million, or 3.4%, in total revenues and transfers over the FY 2025 budget. The decrease in operating revenue is primarily attributed to a $28.0 million decrease in tuition and fees, an $11.8 million reduction due to B-On-Time funding appropriated as one-time for FY 2025. These reductions were offset by a higher investment income ($10.7 million) and increase in the U.T. System Promise Plus program ($4.4 million).

Expenses

The FY 2026 $927.8 million expense budget includes a decrease of $20.1 million, or 2.1%, in total expenses and transfers over the FY 2025 budget. The primary driver of the decrease in total operating expenses is the planned budget reduction of $21.6 million. Salaries and benefits were reduced by $9.7 million and other operating expenses by $11.9 million. Additionally, with the uncertainty of the indirect cost rate, faculty start-up packages were reduced by $5.8 million. The FY 2026 budget allocates $2.8 million for medical insurance increases and $3.3 million to fully fund the transition to Division II of the National Collegiate Athletics Association.

The University of Texas at Dallas
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 496,903,223	534,533,721	506,509,163	(28,024,558)	-5.2%
Less Discounts and Allowances	(174,164,304)	(159,751,384)	(167,057,991)	(7,306,607)	4.6%
Federal Sponsored Programs	85,189,767	84,943,183	90,193,587	5,250,404	6.2%
State Sponsored Programs	22,210,701	19,290,289	22,909,270	3,618,981	18.8%
Local and Private Sponsored Programs	13,227,953	13,426,067	12,478,256	(947,811)	-7.1%
Net Sales and Services of Educational Activities	43,389,654	41,757,115	44,438,798	2,681,683	6.4%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises	62,546,265	57,535,948	59,14[illegible]	1,610,181	2.8%
Other Operating Revenues	12,097,274	12,230,413	13[illegible],800	1,692,387	13.8%
Total Operating Revenues	561,400,533	603,965,352	582,540,012	(21,425,340)	-3.5%
Operating Expenses:					
Compensation - Faculty	182,836,924	184,365,925	164,278,058	(20,[illegible]7,867)	-10.9%
Compensation - Non-Faculty	202,854,242	204,550,64[illegible]	210,615,879	6,065,239	3.0%
Wages	50,433,547	50,855[illegible]	45,103,727	(5,751,578)	-11.3%
Benefits	114,644,999	122,673,6[illegible]	[illegible]2,052,755	(620,869)	-0.5%
Personnel Costs	550,769,712	562,445,494	542,050,419	(20,395,075)	-3.6%
Utilities	15,079,012	17,346,246	16,766,246	(580,000)	-3.3%
Scholarships and Fellowships	217,846,022	210,304,071	226,542,864	16,238,793	7.7%
Less Discounts and Allowances	(174,164,304)	(159,751,384)	([illegible]7,057,991)	(7,306,607)	4.6%
Operations, Maintenance and Travel	195,241,897	222,272,033	20[illegible]888,335	(18,383,698)	-8.3%
Less Capitalized Portion and Cap Lease/SBITA	(33,779,8[illegible])	(30,039,276)	(34,236,913)	(4,197,637)	14.0%
Depreciation and Amortization	103,918,86[illegible]	[illegible]053,018	113,744,271	11,691,253	11.5%
Total Operating Expenses	874,911,319	92[illegible]2	901,697,231	(22,932,971)	-2.5%
Operating Surplus/Deficit	(313,510,786)	(3[illegible]64,8[illegible])	(319,157,219)	1,507,631	-0.5%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	178,205,625	176,897,505	177,157,172	259,667	0.1%
Federal Sponsored Programs (Nonoperating)	44,109,828	41,450,000	41,250,000	(200,000)	-0.5%
State/Local Sponsored Programs (Nonoperating)	440,500	440,500	4,363,794	3,923,294	890.6%
Gifts in Support of Operations	19,312,277	16,453,000	13,585,000	(2,868,000)	-17.4%
Net Investment Income	[illegible]6,757	70,195,107	80,849,605	10,654,498	15.2%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	323,684,987	305,436,112	317,205,571	11,769,459	3.9%
Transfers and Other:					
AUF/Approp/Other Transfer[illegible]ceived for Opera[illegible]	22,106,801	29,271,147	7,235,373	(22,035,774)	-75.3%
AUF/Approp/Other Trans[illegible](Made) for Operation[illegible]	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int	(23,516,183)	(23,297,381)	(26,111,586)	(2,814,205)	12.1%
Total Transfers and Other	(1,409,382)	5,973,766	(18,876,213)	(24,849,979)	-416.0%
Budget Margin (Deficit)	$ 8,764,819	(9,254,972)	(20,827,861)	(11,572,889)	125.0%
Total Revenues and AUF/Approp/Other Op[illegible]g Trsfrs	$ 907,192,321	938,672,611	906,980,956	(31,691,655)	-3.4%
Total Expenses (Including Transfers for Interest)	(898,427,502)	(947,927,583)	(927,808,817)	20,118,766	-2.1%
Budget Margin (Deficit)	$ 8,764,819	(9,254,972)	(20,827,861)	(11,572,889)	
Reconciliation to Use of Prior Year Balances					
Depreciation		102,053,018	113,744,271		
Capital Outlay		(23,748,079)	(28,947,014)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(27,374,558)	(28,298,876)		
Budgeted Transfers		(541,715)	(540,830)		
Net Additions to (Uses of) Prior Year Balances		41,133,694	35,129,690		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at Dallas
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 253,506,547	268,753,073	253,679,835	(15,073,238)	-5.6%
Academic Support	105,156,860	111,481,261	102,917,687	(8,563,574)	-7.7%
Research	138,038,337	152,720,704	153,774,046	1,053,342	0.7%
Public Service	13,424,271	14,231,641	13,680,719	(550,922)	-3.9%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	62,083,688	65,817,558	54,200,026	(11,617,532)	-17.7%
Student Services	27,423,253	29,072,557	30,306,[illegible]	1,234,289	4.2%
Operations and Maintenance of Plant	71,296,639	75,584,599	73,[illegible],194	(2,404,405)	-3.2%
Scholarships and Fellowships	45,131,036	47,845,331	52,158,181	4,312,850	9.0%
Auxiliary Enterprises	54,931,827	57,070,460	54,055,426	([illegible]15,034)	-5.3%
Depreciation and Amortization	103,918,861	102,053,018	113,744,271	11,[illegible]253	11.5%
Total Operating Expenses	$ 874,911,319	924,630,202	901,697,231	(22,932,971)	-2.5%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 279,811,308	268,247,865	(11,563,443)	-4.1%
Designated	524,317,795	511,357,112	(12,960,683)	-2.5%
Auxiliary	84,268,235	81,502,806	(2,765,429)	-3.3%
Available University Fund	–	–	–	0.0%
Restricted	163,151,248	172,060,644	8,909,396	5.5%
Unexpended Plant	5,200,000	5,200,000	–	0.0%
Subtotal - Expenditures (All Funds)	1,056,748,586	1,038,368,427	(18,380,159)	-1.7%
Reconciling Adjustments:				
Tuition Discounting	(159,751,384)	(167,057,991)	(7,306,607)	4.6%
Depreciation	102,053,018	113,744,271	11,691,253	11.5%
Capital Outlay	(23,748,079)	(28,947,014)	(5,198,935)	21.9%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(27,374,558)	(28,298,876)	(924,318)	3.4%
Total Expenses (Including Transfers for Interest)	$ 947,927,583	927,808,817	(20,118,766)	-2.1%

Note: Operating Budget Highlights with glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS

AT EL PASO

DRAFT

The University of Texas at El Paso
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas at El Paso is a comprehensive public research university that is increasing access to excellent higher education. The University advances discovery of public value and positively impacts the health, culture, education, and economy of the community it serves. As America's leading Hispanic serving university, U.T. El Paso graduates prove that higher education is the single best pathway to opportunity. The University provides students with an excellent and engaged education in an inclusive university that builds on student strengths and demonstrates a culture of care.

With $157.5 million in total annual research expenditures, U.T. EL Paso is ranked in the top 5% of research institutions nationally and fourth in Texas for federal research expenditures at public universities. The University maintains one of the lowest out-of-pocket costs of any doctoral research university in the United States and is one of the only institutions to receive a top research designation, both a Community Engagement Classification and Opportunity College and University Classification from the Carnegie Foundation. Continued state support is important for the University's ability to provide an affordable education and increase the impact of research on the economy of Texas.

The FY 2026 operating budget was prepared with much uncertainty around federal revenues, possible NSF award changes and potential enrollment impacts. These ambiguities limited the flexibility of the University to invest in new strategic initiatives aligned with its mission. Compounding these challenges, the state legislature mandated a tuition freeze for the biennium, resulting in flat revenue projections despite increasing operational costs. Furthermore, the University experienced the unexpected loss of a $5.6 million matching contribution from the U.T. System, which had previously complemented the University's National Research Support Fund (NRSF) allocation. This shortfall placed additional pressure on institutional resources, as the University was forced to identify alternative funding sources to honor start-up commitments for faculty recruited under the Regents Research Excellence Program. In anticipation of potential disruptions stemming from an evolving financial landscape, the University engaged in a contingency planning exercise to identify areas for possible budgetary reductions, recognizing the need to remain adaptable to possible operational restructuring. Although the University's operating margins are lower than previous years, the University's operating budget continues to support an enrollment plan that focuses on effective recruitment in the region and beyond and supports successful efforts to steadily increase graduation rates. Funds are also allocated to support campus initiatives that focus on accomplishing the goals outlined in the University's strategic plan, increasing college unit net revenue, improving business operations, or deploy U.T. El Paso Edge high-impact practices intended to increase student persistence and progression toward graduation.

Revenue

The FY 2026 $563.8 million revenue budget includes a decrease of $57.5 million, or 9.2%, in total revenues and transfers over the FY 2025 budget. This reducion is mostly due to tuition discounting amid a significant change in reporting methodology. Tuition revenues are projected to increase by $9.8 million resulting from an increase in enrollment of 1.5% for Fall 2025, 1.0% for Spring 2026 and 1.0% for Summer 2026. State appropriations increased by $28.2 million which includes $10.0 million for the new Mining Engineering program, $4.0 million for a NASA collaboration pass through and a $14.0 million increase in General Revenue and the NRSF. Sponsored program revenues are projected to decrease by $30.7 million resulting from a decrease in federal award funding. Net Auxiliary enterprises are expected to decrease by $2.1 million caused by a reduction in conference revenue and events. Gifts and investment income are projected to increase by $11.5 million related to higher returns on investments and pledges related to new programs and athletics. Other appropriation transfers decreased related to the one-time revenue allocation from B-On-Time.

Expenses

The FY 2026 $582.3 million expense budget includes a decrease of $45.0 million, or 7.2%, in total expenses and transfers over the FY 2025 budget. This decrease is primarily due to tuition discounting. The FY 2026 operating budget includes a planned 1.0% merit for all faculty staff and $328,000 for faculty tenure and promotion increases. Benefit costs are projected to increase 8.0% for staff group insurance, and student health insurance costs are projected to increase by $175,000. The FY 2026 operating budget also funds $148,500 for legal and policy requirements for the police department and $175,000 for custodial contract increases. Depreciation expenses will increase based on the substantial completion of the Texas Western Hall in early Spring 2026. Auxiliary enterprises are projected to decrease related to a decrease in event expenditures.

The University of Texas at El Paso
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Budget Increases (Decreases) From 2025 to 2026: Percent
Operating Revenues:						
Tuition and Fees	$	222,553,991	215,250,674	225,071,715	9,821,041	4.6%
Less Discounts and Allowances		(131,408,646)	(64,146,782)	(131,704,005)	(67,557,223)	105.3%
Federal Sponsored Programs		83,242,342	85,450,838	46,191,489	(39,259,349)	-45.9%
State Sponsored Programs		43,469,351	34,459,527	45,855,354	11,395,827	33.1%
Local and Private Sponsored Programs		2,314,894	6,383,065	3,468,278	(2,914,787)	-45.7%
Net Sales and Services of Educational Activities		8,030,897	4,699,300	4,384,958	(314,342)	-6.7%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises		56,579,799	66,479,075	64,33[illegible]	(2,147,136)	-3.2%
Other Operating Revenues		53,077	20,000	[illegible],000	5,000	25.0%
Total Operating Revenues		284,835,705	348,595,697	257,624,728	(90,970,969)	-26.1%
Operating Expenses:						
Compensation - Faculty		112,742,960	112,330,385	112,887,895	[illegible],510	0.5%
Compensation - Non-Faculty		131,863,111	134,252,14[illegible]	123,891,481	(10,360,661)	-7.7%
Wages		19,120,151	18,850[illegible]	[illegible]5,096,630	(3,753,819)	-19.9%
Benefits		77,009,771	74,496,9[illegible]	[illegible],209,020	(287,948)	-0.4%
Personnel Costs		340,735,993	339,929,944	326,085,026	(13,844,918)	-4.1%
Utilities		9,501,522	9,901,522	9,990,742	89,220	0.9%
Scholarships and Fellowships		169,101,905	148,287,159	[illegible]168,571,523	20,284,364	13.7%
Less Discounts and Allowances		(131,408,648)	(64,146,782)	([illegible],704,005)	(67,557,223)	105.3%
Operations, Maintenance and Travel		144,186,069	159,797,292	1[illegible]07,845	12,410,553	7.8%
Less Capitalized Portion and Cap Lease/SBITA		(9,059,7[illegible]	(9,618,744)	(9,904,919)	(286,175)	3.0%
Depreciation and Amortization		37,844,868	[illegible]7,704,124	41,837,994	4,133,870	11.0%
Total Operating Expenses		560,901,949	62[illegible]15	577,084,206	(44,770,309)	-7.2%
Operating Surplus/Deficit		(276,066,244)	(2[illegible]58,8[illegible]	(319,459,478)	(46,200,660)	16.9%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		126,539,953	124,640,267	152,829,300	28,189,033	22.6%
Federal Sponsored Programs (Nonoperating)		109,072,445	83,177,728	94,529,167	11,351,439	13.6%
State/Local Sponsored Programs (Nonoperating)		–	–	–	–	0.0%
Gifts in Support of Operations		36,096,611	10,046,246	15,516,159	5,469,913	54.4%
Net Investment Income		[illegible]9,466	26,426,153	32,454,343	6,028,190	22.8%
Other Non-Operating Revenue		[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		308,868,475	244,290,394	295,328,969	51,038,575	20.9%
Transfers and Other:						
AUF/Approp/Other Transfer[illegible]ceived for Opera[illegible]		–	28,339,675	10,816,044	(17,523,631)	-61.8%
AUF/Approp/Other Trans[illegible](Made) for Operation[illegible]		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int		(5,798,718)	(5,473,871)	(5,210,888)	262,983	-4.8%
Total Transfers and Other		(5,798,718)	22,865,804	5,605,156	(17,260,648)	-75.5%
Budget Margin (Deficit)	$	27,003,513	(6,102,620)	(18,525,353)	(12,422,733)	203.6%
Total Revenues and AUF/Approp/Other Op[illegible]g Trsfrs	$	593,704,180	621,225,766	563,769,741	(57,456,025)	-9.2%
Total Expenses (Including Transfers for Interest)		(566,700,667)	(627,328,386)	(582,295,094)	45,033,292	-7.2%
Budget Margin (Deficit)	$	27,003,513	(6,102,620)	(18,525,353)	(12,422,733)	
Reconciliation to Use of Prior Year Balances						
Depreciation			37,704,124	41,837,994		
Capital Outlay			(9,226,572)	(9,512,747)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(6,967,063)	(6,465,862)		
Budgeted Transfers			49,000	49,000		
Net Additions to (Uses of) Prior Year Balances			15,456,869	7,383,032		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at El Paso
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 122,918,414	148,025,943	147,287,451	(738,492)	-0.5%
Academic Support	27,512,802	32,710,650	50,660,246	17,949,596	54.9%
Research	120,616,964	146,358,349	118,517,089	(27,841,260)	-19.0%
Public Service	7,688,939	6,843,799	4,494,898	(2,348,901)	-34.3%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	42,681,458	32,957,511	37,635,175	4,677,664	14.2%
Student Services	24,845,211	28,853,085	32,091,[illegible]	3,238,250	11.2%
Operations and Maintenance of Plant	36,352,467	34,742,985	35,[illegible],537	316,552	0.9%
Scholarships and Fellowships	65,748,275	78,454,529	33,019,724	([illegible]5,434,805)	-57.9%
Auxiliary Enterprises	74,692,551	75,203,540	76,480,757	[illegible]77,217	1.7%
Depreciation and Amortization	37,844,868	37,704,124	41,837,994	4,[illegible]870	11.0%
Total Operating Expenses	$ 560,901,949	621,854,515	577,084,206	(44,770,309)	-7.2%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 198,147,895	231,115,656	32,967,761	16.6%
Designated	[illegible]07,904,974	202,936,853	(4,968,121)	-2.4%
Auxiliary	[illegible]80,115,529	81,431,668	1,316,139	1.6%
Available University Fund	–	–	–	0.0%
Restricted	181,796,281	170,655,537	(11,140,744)	-6.1%
Unexpended Plant	2,000,000	2,000,000	–	0.0%
Subtotal - Expenditures (All Funds)	669,964,679	688,139,714	18,175,035	2.7%
Reconciling Adjustments:				
Tuition Discounting	(64,146,782)	(131,704,005)	(67,557,223)	105.3%
Depreciation	37,704,124	41,837,994	4,133,870	11.0%
Capital Outlay	(9,226,572)	(9,512,747)	(286,175)	3.1%
Trsfrs for Debt Svc-Princ & Lease/SBITA Prin	(6,967,063)	(6,465,862)	501,201	-7.2%
Total Expenses (Including Transfers for Interest)	$ 627,328,386	582,295,094	(45,033,292)	-7.2%

Note: Operating Budget Highlights with glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS

PERMIAN BASIN

The University of Texas Permian Basin
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas Permian Basin seeks to provide greater access to higher education for Texans, particularly west Texans; to award degrees of value; to conduct meaningful research; to improve the overall quality of life of the west Texas region; and, to practice good stewardship of resources entrusted to it. To advance efforts to achieve these goals, U.T. Permian Basin has adopted four central pillars in its strategic plan: 1) Student Success, 2) Serve the Region, 3) Advance Creativity and Knowledge, and 4) Responsible Stewardship.

U.T. Permian Basin remains committed to the success of its students. Initiatives to help students achieve educational and career goals by addressing graduation, retention, and experiential learning efforts are again included in this budget. The new Falcon Free program utilizing Promise Plus funding was begun in FY 2023 and has been a success producing steady enrollment increases particularly in semester credit hours. The program is again included in the FY 2026 budget. The annual allocations for two major five-year gifts received previously are included in the budget: (1) $10.7 million received in FY 2022 from the Permian Strategic Partnership to enhance the Nursing and Pre-Med programs (2) $10.0 million received in FY 20[illegible] through a joint partnership between Permian Strategic Partnership and the Scharbauer Foundation to enhance Behavioral Health programs and increase the number of licensed professionals. Also included is the continuation of $3.0 million non-formula items to address and support healthcare workforce initiatives, as well as the new $1.3 million received for the Workforce Education Center.

The University seeks to enhance campus life and academic experiences for students, and to increase high impact practices that benefit students. Critical to this effort is the ability of the University to recruit and retain high quality faculty and staff to maintain excellence in all areas. Serving the region will require that the University significantly increase the number of graduates in key areas such as those included in these major gifts and new non-formula funding high demand degrees such as engineering (civil), nursing, business, mental health, and education are facing the most severe shortages and the University continues to invest in these areas.

The fourth pillar of the strategic plan is to promote responsible stewardship of resources. U.T. Permian Basin continues to maintain a strong financial base with positive trends in all financial ratios. The conservative approach to developing the FY 2026 budget will continue this effort. The University has continued a focus on the significant number of vacant positions and has reviewed these to conservatively align the budgeted salaries and benefits with realistic employment dates or reduction of replacement hiring. As a result, considerable salary, wage, and benefit savings are included in the FY 2026 budget. The University will continue to strategically leverage all resources.

Revenue

The FY 2026 $109.6 million revenue budget includes an increase of $5.1 million, or 4.9%, in total revenues and transfers over the FY 2025 budget. This increase in the overall revenue budget over the prior year is attributable to the net effect of the increase in non-operating revenues resulting from increased general revenue funding, and an increase in grants and gift funds. Housing rates are increased by 2.0% and food service rates are increased by 4.0%. Resident undergraduate and graduate tuition and academic fees were not increased for FY 2026.

Expenses

The FY 2026 $125.6 million expense budget includes an increase of $4.0 million, or 3.3%, in total expenses and transfers over the FY 2025 budget. In an effort to better align the operating budget with the annual financial report for year-end comparisons, all expenses reasonably expected to occur in FY 2026 have been included in the budget. A portion of these expenses are funded from revenues generated and recorded in prior periods for these purposes. An example of this is the $4.5 million scheduled for expense in FY 2026 from the two major gifts mentioned above. In accordance with U.T. System accounting policies, all revenue from these gifts have been recorded in the year received. Another example is debt service related to revenue financing system bonds for the Kinesiology Building ($1.65 million) covered by gifts on hand.

The University of Texas Permian Basin
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:						
Tuition and Fees	$	44,707,010	45,081,582	42,252,918	(2,828,664)	-6.3%
Less Discounts and Allowances		(15,820,378)	(14,644,594)	(17,159,312)	(2,514,718)	17.2%
Federal Sponsored Programs		6,082,001	6,082,001	5,987,524	(94,477)	-1.6%
State Sponsored Programs		6,178,157	5,124,759	5,727,481	602,722	11.8%
Local and Private Sponsored Programs		1,838,088	1,838,088	2,396,714	558,626	30.4%
Net Sales and Services of Educational Activities		1,216,248	939,100	1,156,500	217,400	23.1%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		–	–	–	–	0.0%
Net Auxiliary Enterprises		6,497,873	7,480,994	[illegible]	93,924	1.3%
Other Operating Revenues		11,750,751	1,611,159	[illegible]	795,012	49.3%
Total Operating Revenues		62,449,750	53,513,089	50,342,914	(3,170,175)	-5.9%
Operating Expenses:						
Compensation - Faculty		19,077,028	16,938,672	16,057,354	[illegible]	-5.2%
Compensation - Non-Faculty		26,669,819	[illegible]	30,140,688	(275,592)	-0.9%
Wages		1,389,306	[illegible]	1,098,474	(116,362)	-9.6%
Benefits		13,537,665	[illegible]	[illegible]	(1,284,159)	-9.2%
Personnel Costs		60,673,818	62,578,342	60,020,911	(2,557,431)	-4.1%
Utilities		2,655,015	3,242,000	3,305,238	63,238	2.0%
Scholarships and Fellowships		27,048,410	25,502,586	31,354,166	5,851,580	22.9%
Less Discounts and Allowances		(16,830,190)	(15,847,600)	[illegible]	(2,721,294)	17.2%
Operations, Maintenance and Travel		36,556,242	22,333,462	[illegible]	3,299,204	14.8%
Less Capitalized Portion and Cap Lease/SBITA		[illegible]	(1,023,448)	(935,745)	87,703	-8.6%
Depreciation and Amortization		21,292,247	[illegible]	21,224,484	(67,763)	-0.3%
Total Operating Expenses		130,417,921	[illegible]	122,032,826	3,955,237	3.3%
Operating Surplus/Deficit		(67,968,171)	[illegible]	(71,689,912)	(7,125,412)	11.0%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		30,400,465	30,400,461	32,857,960	2,457,499	8.1%
Federal Sponsored Programs (Nonoperating)		12,323,955	9,205,535	11,272,673	2,067,138	22.5%
State/Local Sponsored Programs (Nonoperating)		–	–	991,999	991,999	100.0%
Gifts in Support of Operations		5,500,000	6,561,000	9,117,686	2,556,686	39.0%
Net Investment Income		[illegible]	4,188,135	4,547,101	358,966	8.6%
Other Non-Operating Revenue		[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		54,390,052	50,355,131	58,787,419	8,432,288	16.7%
Transfers and Other:						
AUF/Approp/Other Transfers Received for Operations		–	633,077	500,324	(132,753)	-21.0%
AUF/Approp/Other Transfers (Made) for Operations		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int		(3,609,205)	(3,494,245)	(3,573,057)	(78,812)	2.3%
Total Transfers and Other		(3,609,205)	(2,861,168)	(3,072,733)	(211,565)	7.4%
Budget Margin (Deficit)	$	(17,187,324)	(17,070,537)	(15,975,226)	1,095,311	-6.4%

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$	116,839,802	104,501,297	109,630,657	5,129,360	4.9%
Total Expenses (Including Transfers for Interest)		(134,027,126)	(121,571,834)	(125,605,883)	(4,034,049)	3.3%
Budget Margin (Deficit)	$	(17,187,324)	(17,070,537)	(15,975,226)	1,095,311	
Reconciliation to Use of Prior Year Balances						
Depreciation			21,292,247	21,224,484		
Capital Outlay			(935,000)	(877,936)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(4,225,065)	(2,206,510)		
Budgeted Transfers			–	185,657		
Net Additions to (Uses of) Prior Year Balances			(938,355)	2,350,469		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Permian Basin
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 37,483,725	33,899,355	34,658,475	759,120	2.2%
Academic Support	12,081,604	10,612,457	9,544,903	(1,067,554)	-10.1%
Research	3,106,963	4,103,145	4,887,996	784,851	19.1%
Public Service	3,655,518	5,118,781	5,912,654	793,873	15.5%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	12,495,004	9,999,123	11,618,093	1,618,970	16.2%
Student Services	4,295,381	3,482,032	3,221,[illegible]	(260,294)	-7.5%
Operations and Maintenance of Plant	11,773,220	10,223,812	9,[illegible],707	(358,105)	-3.5%
Scholarships and Fellowships	10,218,220	9,828,369	11,914,813	2,086,444	21.2%
Auxiliary Enterprises	14,016,039	9,518,268	9,183,963	([illegible]34,305)	-3.5%
Depreciation and Amortization	21,292,247	21,292,247	21,224,484	([illegible]763)	-0.3%
Total Operating Expenses	$ 130,417,921	118,077,589	122,032,826	3,955,237	3.3%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 41,203,661	43,832,600	2,628,939	6.4%
Designated	37,982,715	35,713,355	(2,269,360)	-6.0%
Auxiliary	16,133,299	15,815,324	(317,975)	-2.0%
Available University Fund	–	–	–	0.0%
Restricted	25,834,824	30,487,803	4,652,979	18.0%
Unexpended Plant	132,753	185,657	52,904	39.9%
Subtotal - Expenditures (All Funds)	121,287,252	126,034,739	4,747,487	3.9%
Reconciling Adjustments:				
Tuition Discounting	(15,847,600)	(18,568,894)	(2,721,294)	17.2%
Depreciation	21,292,247	21,224,484	(67,763)	-0.3%
Capital Outlay	(935,000)	(877,936)	57,064	-6.1%
Trsfrs for Debt Svc-Princ. & Lease/SBITA Prin	(4,225,065)	(2,206,510)	2,018,555	-47.8%
Total Expenses (Including Transfers for Interest)	$ 121,571,834	125,605,883	4,034,049	3.3%

Note: Operating Budget Highlights with Glossary of terms are included on Page 1.

The University of Texas
Rio Grande Valley

The University of Texas Rio Grande Valley
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

With the FY 2026 operating budget, The University of Texas Rio Grande Valley continues its commitment to affordability to sustain its reputation as one of the top value schools nationwide. The FY 2026 budget was based on an enrollment of 33,500 academic students, a level considered conservative given growth indications for this Fall semester. Strategic emphasis is placed on investments in students, faculty, staff, and facilities as the University prepares for future growth, while expanding healthcare, and research activity. Importantly, the University has achieved a major milestone as it is eligible for the National Research Support Fund (NRSF) starting FY 2026.

First, the University continues expanding educational opportunities and impactful research by continuing to develop and invest in new doctoral and professional academic programs that are interdisciplinary, research-based, and in health-related fields to address inequities in healthcare access and outcomes in this underserved region, including a new School of Optometry. Second, the University will continue progress on its salary program with a mid-year merit for faculty and staff. Third, health professions will be consolidated under the new Health Affairs division which, coinciding with the opening of the Cancer and Surgery center in August 2025, will support significant growth in healthcare education and patient care over the next few years. Finally, the inaugural Vaqueros football season, along with the spirit and marching band programs, will further cultivate a college-going culture in the Rio Grande Valley.

Revenue

The FY 2026 $747.3 million revenue budget includes an increase of $66.9 million, or 9.8%, in total revenues and transfers over the FY 2025 budget. State appropriations are increasing by $33.8 million out of which $19.3 million is an increase in general revenue for operations, including $5.0 million in non-formula funding for the new School of Optometry, $2.5 million to support clinical operations and research at the new Cancer and Surgery Center, $8.8 million in research funding due to initial eligibility for NRSF, and $3.0 million in state reimbursements for group health insurance premiums.

The increase in nonoperating sponsored programs is due to a $20.0 million increase in the Pell grant program and a $1.3 million increase in support of the Promise Plus program. In addition, anticipated growth in the medical practice plans including operations at the new Cancer and Surgery Center is expected to generate an additional $26.7 million in revenues. The budget includes a $2.1 million increase in investment income due to favorable markets and a $1.5 million increase for the Regional Security Operations Center. Finally, the gross tuition and fee increase from realized enrollment growth is offset by an increase in the tuition discounting estimate.

Expenses

The FY 2026 $815.9 million expense budget includes an increase of $71.3 million, or 9.6%, in total expenses and transfers over the FY 2025 budget. Additional support for new health-related programs includes $5.0 million to establish the School of Optometry and $3.1 million for the School of Podiatric Medicine which will graduate its first students in FY 2026. $0.5 million is added to support the inaugural class of the Doctor of Physical Therapy program. $1.8 million supports the new Health Affairs division which will enhance academic coordination and grow clinical activity among all health-related programs. For Academic Affairs, $1.1 million in new faculty will accommodate enrollment growth and an additional $1.0 million will enhance academic support including the University Library. The athletics budget, including the football program, is increasing by $4.6 million. Finally, an additional $3.0 million is budgeted for research growth initiatives including PhD program support and research doctoral program recruitment.

Scholarships, before discounts, are projected at $264.8 million, including $130.0 million in Pell Grants, $55.1 million in TEXAS Grants, $7.1 million in UTRGV Scholars, and $1.1 million in Luminary Scholars. $31.4 million in financial aid from tuition set asides, along with the $5.1 million Promise Plus program, will support the guarantee of no out-of-pocket tuition and fee cost for families with incomes of $125,000 or less. Finally, $10.8 million is budgeted for exemptions, of which $8.5 million is estimated for Hazlewood recipients.

Critical labor investments include $0.9 million for faculty promotions, $6.6 million for faculty and staff merit. An additional $5.4 million in fringe benefits covers increases in employee group insurance premiums. Finally, expansion and renovation of facilities needed to accommodate growth in research and new academic programs has produced increases in debt service and facilities costs of $7.6 million and $3.2 million, respectively.

The University of Texas Rio Grande Valley
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Budget Increases (Decreases) From 2025 to 2026 Percent
Operating Revenues:						
Tuition and Fees	$	325,769,000	317,808,399	338,072,924	20,264,525	6.4%
Less Discounts and Allowances		(212,564,474)	(170,663,100)	(220,714,600)	(50,051,500)	29.3%
Federal Sponsored Programs		74,797,810	59,975,583	64,162,794	4,187,211	7.0%
State Sponsored Programs		77,103,561	68,983,979	72,923,694	3,939,715	5.7%
Local and Private Sponsored Programs		25,612,172	26,198,710	24,481,048	(1,717,662)	-6.6%
Net Sales and Services of Educational Activities		9,153,613	10,095,685	11,942,313	1,846,628	18.3%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		17,650,978	19,510,355	32,691,23[illegible]	13,180,876	67.6%
Net Auxiliary Enterprises		12,936,791	12,420,833	14,78[illegible]	2,368,156	19.1%
Other Operating Revenues		26,164,781	11,660,324	25,[illegible],439	14,186,115	121.7%
Total Operating Revenues		356,624,232	355,990,768	364,194,832	8,204,064	2.3%
Operating Expenses:						
Compensation - Faculty		142,777,491	150,633,163	160,311,044	9,[illegible],881	6.4%
Compensation - Non-Faculty		182,144,839	177,930,41[illegible]	198,242,868	20,312,451	11.4%
Wages		46,098,743	34,536[illegible]	37,513,931	2,977,608	8.6%
Benefits		114,554,194	114,040,7[illegible]	[illegible]2,920,564	8,879,863	7.8%
Personnel Costs		485,575,267	477,140,604	518,988,407	41,847,803	8.8%
Utilities		12,300,000	12,875,748	13,643,180	767,432	6.0%
Scholarships and Fellowships		279,658,170	236,922,646	264,808,138	27,885,492	11.8%
Less Discounts and Allowances		(212,564,474)	(170,663,100)	([illegible],714,600)	(50,051,500)	29.3%
Operations, Maintenance and Travel		151,500,088	123,967,155	1[illegible]07,432	35,640,277	28.7%
Less Capitalized Portion and Cap Lease/SBITA		(25,398,4[illegible]	(23,817,298)	(23,827,947)	(10,649)	0.0%
Depreciation and Amortization		77,753,000	[illegible]7,902,949	88,860,800	10,957,851	14.1%
Total Operating Expenses		768,823,563	73[illegible]	801,365,410	67,036,706	9.1%
Operating Surplus/Deficit		(412,199,331)	(3[illegible]37,[illegible]	(437,170,578)	(58,832,642)	15.6%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		180,100,187	179,644,285	213,459,389	33,815,104	18.8%
Federal Sponsored Programs (Nonoperating)		140,207,827	[illegible]10,000,000	130,000,000	20,000,000	18.2%
State/Local Sponsored Programs (Nonoperating)		–	–	1,309,000	1,309,000	100.0%
Gifts in Support of Operations		4,657,000	4,034,942	4,627,043	592,101	14.7%
Net Investment Income		[illegible]0,000	22,663,703	24,754,200	2,090,497	9.2%
Other Non-Operating Revenue		[illegible]	425,389	712,970	287,581	67.6%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		348,065,014	316,768,319	374,862,602	58,094,283	18.3%
Transfers and Other:						
AUF/Approp/Other Transfer[illegible]ceived for Opera[illegible]		8,687,072	7,606,158	8,212,075	605,917	8.0%
AUF/Approp/Other Trans[illegible](Made) for Operation[illegible]		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int		(7,116,755)	(10,273,600)	(14,519,793)	(4,246,193)	41.3%
Total Transfers and Other		1,570,317	(2,667,442)	(6,307,718)	(3,640,276)	136.5%
Budget Margin (Deficit)	$	(62,564,000)	(64,237,059)	(68,615,694)	(4,378,635)	6.8%
Total Revenues and AUF/Approp/Other Op[illegible] Trsfrs	$	713,376,318	680,365,245	747,269,509	66,904,264	9.8%
Total Expenses (Including Transfers for Interest)		(775,940,318)	(744,602,304)	(815,885,203)	(71,282,899)	9.6%
Budget Margin (Deficit)	$	(62,564,000)	(64,237,059)	(68,615,694)	(4,378,635)	
Reconciliation to Use of Prior Year Balances						
Depreciation			77,902,949	88,860,800		
Capital Outlay			(13,385,000)	(13,306,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(15,697,851)	(19,168,244)		
Budgeted Transfers			(566,647)	(589,695)		
Net Additions to (Uses of) Prior Year Balances			(15,983,608)	(12,818,833)		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Rio Grande Valley
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 212,477,351	219,194,292	229,448,893	10,254,601	4.7%
Academic Support	87,425,081	77,218,997	93,959,537	16,740,540	21.7%
Research	77,362,878	64,363,548	74,259,786	9,896,238	15.4%
Public Service	13,647,778	15,762,008	17,855,878	2,093,870	13.3%
Hospitals and Clinics	54,552,528	44,858,326	67,708,112	22,849,786	50.9%
Institutional Support	44,553,529	43,650,458	44,503,928	853,470	2.0%
Student Services	37,259,899	36,519,303	38,258,[illegible]	1,739,549	4.8%
Operations and Maintenance of Plant	50,389,703	44,881,943	52,[illegible],165	7,141,222	15.9%
Scholarships and Fellowships	65,907,293	66,640,993	56,054,863	([illegible]0,586,130)	-15.9%
Auxiliary Enterprises	47,494,523	43,335,887	38,431,596	([illegible]04,291)	-11.3%
Depreciation and Amortization	77,753,000	77,902,949	88,860,800	10,[illegible]851	14.1%
Total Operating Expenses	$ 768,823,563	734,328,704	801,365,410	67,036,706	9.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 303,101,868	346,047,097	42,945,229	14.2%
Designated	[illegible]26,874,595	362,155,973	35,281,378	10.8%
Auxiliary	47,899,399	57,870,320	9,970,921	20.8%
Available University Fund	–	–	–	0.0%
Restricted	187,743,171	212,941,639	25,198,468	13.4%
Unexpended Plant	826,273	1,198,218	371,945	45.0%
Subtotal - Expenditures (All Funds)	866,445,306	980,213,247	113,767,941	13.1%
Reconciling Adjustments:				
Tuition Discounting	(170,663,100)	(220,714,600)	(50,051,500)	29.3%
Depreciation	77,902,949	88,860,800	10,957,851	14.1%
Capital Outlay	(13,385,000)	(13,306,000)	79,000	-0.6%
Trsfrs for Debt Svc-Princ. & Lease/SBITA Prin	(15,697,851)	(19,168,244)	(3,470,393)	22.1%
Total Expenses (Including Transfers for Interest)	$ 744,602,304	815,885,203	71,282,899	9.6%

Note: Operating Budget Highlights with glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS

AT SAN ANTONIO

(ACADEMIC AND HEALTH SCIENCE CENTER)

The University of Texas at San Antonio
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas at San Antonio and The University of Texas Health Science Center at San Antonio are on a path to merge into one premier global university, combining academic, research, and clinical strengths to deliver immense value to the community. Pending approval by Southern Association of Colleges and Schools Commission on Colleges, Day One will be September 1, 2025. The integration process has begun but will take several years to complete. While common factors affect both budgets, including the federal and state evolving landscape, U.T. San Antonio based its budget around its specific revenue and expense outlook.

U.T. San Antonio's budget principles for FY 2026 include investing in faculty and staff, advancing the educational success of students and maintaining a commitment to be a university of research excellence. The integration, federal environment, state budget, tuition freeze, athlete revenue sharing, technology infrastructure, downtown corridor expansion, and capital projects were all considered in building the financial model. The budget reflects reorganizations related to the new College of Artificial Intelligence, Cyber and Computing, which will open in fall 2025. The FY 2026 budget also includes the impact of capital projects, including a new residence hall opening in 2026, a volleyball/basketball training facility, and continued expansion of the University's footprint in downtown San Antonio. University leadership delivered town halls in March which included a preliminary budget outlook showing a $24.0 million budget gap. To address this, the University implemented a flexible hiring pause, recommended FY 2025 cost containment, and reduced educational and general and designated tuition budgets by 4.0% for FY 2026. Reductions have resulted in the elimination of 21 filled and 32 vacant staff positions.

Revenue

The FY 2026 $816.5 million revenue budget includes an increase of $24.3 million, or 3.1%, in total revenues and transfers over the FY 2025 budget. Recent strategic enrollment investments in support staff like recruiters, marketing, and financial aid have led to increased enrollment reaching almost 36,000 in fall 2024. The FY 2026 budget assumes budgeted net tuition revenue of $191.0 million, which is only 0.5% more than FY 2025 actual revenue. The state appropriation general revenue budget has been entered based upon Senate Bill 1, which is only $1.6 million more than the FY 2025 amount. While U.T. San Antonio increased its share of the formula by almost $20.0 million for the biennium, more than 80% of the increase was financed by general revenue – dedicated funding sources. National Research Support Fund revenue grew by $4.0 million over FY 2025 levels. There were no changes to state non-formula funded revenues. Other significant revenue changes include a projected increase of $6.9 million in auxiliary revenues and a decrease of $4.0 million from indirect cost recovery, which is assumed to decrease to around 30.0% of modified total direct costs.

Expenses

The FY 2026 $883.8 million expense budget includes an increase of $105.9 million, or 13.6%, in total expenses and transfers over the FY 2025 budget. The primary change in expense budgets is based upon the 4.0% reduction in certain funds, as mentioned above. However, even in the current revenue environment, U.T. San Antonio considers faculty and staff compensation a strategic priority. One-time payments were made in FY 2025 with no permanent salary changes. Compensation plans for FY 2026 will not be finalized until fall enrollment is known. However, if targets are met, an amount has been budgeted for market-based staff and faculty compensation strategies, including the results of a recently completed staff compensation study. Benefit costs were budgeted at a $3.6 million (10.0%) increase. Total debt service increased $2.5 million due to a new residence hall and two FY 2025 real estate purchases. Other significant increases include $1.7 million for utilities, $823,000 for facilities contracted services, and $2.8 million for previously unfunded technology and cyber-security costs. Athletics includes a ten-year annual payment of $416,000 for the House v. National Collegiate Athletic Association settlement and new expenses of $3.6 million for revenue share payments to student-athletes. The revenue share payments are budget neutral, as they are offset by new revenue strategies Athletics is implementing to compete in the new landscape. The FY 2026 budget includes $5.5 million and $4.0 million for expense estimates from funds received in the prior fiscal year for the Regents Research Excellence Program and Texas Research Incentive Program, respectively. The University has also planned to use reserve balances for integration costs such as marketing and signage, some athletics costs, and start-up costs related to recently acquired real estate.

The University of Texas at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:						
Tuition and Fees	$	414,974,210	370,021,426	387,053,112	17,031,686	4.6%
Less Discounts and Allowances		(152,710,509)	(120,853,400)	(138,682,800)	(17,829,400)	14.8%
Federal Sponsored Programs		79,530,756	86,738,899	82,387,074	(4,351,825)	-5.0%
State Sponsored Programs		38,111,055	33,924,857	36,491,407	2,566,550	7.6%
Local and Private Sponsored Programs		8,875,077	7,646,400	8,220,841	574,441	7.5%
Net Sales and Services of Educational Activities		16,791,583	15,109,873	14,309,150	(800,723)	-5.3%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises		65,692,306	64,538,523	[illegible]	6,910,168	10.7%
Other Operating Revenues		4,999,002	3,188,600	[illegible]	7,895,357	247.6%
Total Operating Revenues		476,263,480	460,315,178	472,311,432	11,996,254	2.6%
Operating Expenses:						
Compensation - Faculty		149,485,177	141,663,440	145,767,649	[illegible]	2.9%
Compensation - Non-Faculty		197,175,865	[illegible]	188,564,117	(59,660)	0.0%
Wages		14,778,869	[illegible]	12,944,164	(83,038)	-0.6%
Benefits		102,453,217	[illegible]	[illegible]	2,627,090	2.5%
Personnel Costs		463,893,128	448,679,102	455,267,703	6,588,601	1.5%
Utilities		18,000,000	18,993,231	20,671,230	1,677,999	8.8%
Scholarships and Fellowships		229,105,487	200,461,838	206,215,749	5,753,911	2.9%
Less Discounts and Allowances		(152,710,509)	(120,853,400)	[illegible]	(17,829,400)	14.8%
Operations, Maintenance and Travel		364,995,761	217,319,912	[illegible]	43,453,228	20.0%
Less Capitalized Portion and Cap Lease/SBITA		[illegible]	(86,097,300)	(27,185,500)	58,911,800	-68.4%
Depreciation and Amortization		79,220,363	[illegible]	90,303,537	6,404,737	7.6%
Total Operating Expenses		807,200,712	[illegible]	867,363,059	104,960,876	13.8%
Operating Surplus/Deficit		(330,937,232)	[illegible]	(395,051,627)	(92,964,622)	30.8%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		183,474,368	167,781,121	177,548,156	9,767,035	5.8%
Federal Sponsored Programs (Nonoperating)		99,086,599	100,000,000	100,000,000	–	0.0%
State/Local Sponsored Programs (Nonoperating)		8,220,095	5,475,299	10,002,019	4,526,720	82.7%
Gifts in Support of Operations		11,657,225	14,190,327	15,811,754	1,621,427	11.4%
Net Investment Income		[illegible]	30,776,782	32,333,205	1,556,423	5.1%
Other Non-Operating Revenue		[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		343,868,417	318,223,529	335,695,134	17,471,605	5.5%
Transfers and Other:						
AUF/Approp/Other Transfers Received for Operations		8,495,443	13,652,337	8,496,921	(5,155,416)	-37.8%
AUF/Approp/Other Transfers (Made) for Operations		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int		(14,319,825)	(15,452,209)	(16,392,420)	(940,211)	6.1%
Total Transfers and Other		(5,824,382)	(1,799,872)	(7,895,499)	(6,095,627)	338.7%
Budget Margin (Deficit)	$	7,106,803	14,336,652	(67,251,992)	(81,588,644)	-569.1%
Total Revenues and AUF/Approp/Other Operating Trsfrs	$	828,627,340	792,191,044	816,503,487	24,312,443	3.1%
Total Expenses (Including Transfers for Interest)		(821,520,537)	(777,854,392)	(883,755,479)	(105,901,087)	13.6%
Budget Margin (Deficit)	$	7,106,803	14,336,652	(67,251,992)	(81,588,644)	
Reconciliation to Use of Prior Year Balances						
Depreciation			83,898,800	90,303,537		
Capital Outlay			(79,977,900)	(21,659,400)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(20,044,300)	(21,459,100)		
Budgeted Transfers			(1,452,334)	–		
Net Additions to (Uses of) Prior Year Balances			(3,239,082)	(20,066,955)		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at San Antonio
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:						
Instruction	$	150,310,589	147,109,315	174,470,846	27,361,531	18.6%
Academic Support		103,960,751	106,481,157	121,863,317	15,382,160	14.4%
Research		143,649,774	119,378,554	154,069,663	34,691,109	29.1%
Public Service		21,865,608	15,565,997	15,767,889	201,892	1.3%
Hospitals and Clinics		–	–	–	–	0.0%
Institutional Support		55,495,536	58,215,441	61,281,626	3,066,185	5.3%
Student Services		41,693,034	37,587,191	38,898,[illegible]	1,311,068	3.5%
Operations and Maintenance of Plant		63,266,808	41,727,048	57,[illegible],105	15,280,057	36.6%
Scholarships and Fellowships		76,394,978	85,354,167	74,241,711	([illegible]1,112,456)	-13.0%
Auxiliary Enterprises		71,343,271	67,084,513	79,459,106	[illegible]74,593	18.4%
Depreciation and Amortization		79,220,363	83,898,800	90,303,537	6,[illegible]737	7.6%
Total Operating Expenses	$	807,200,712	762,402,183	867,363,059	104,960,876	13.8%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

		FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$	283,127,223	301,715,071	18,587,848	6.6%
Designated		[illegible]09,780,122	337,968,322	28,188,200	9.1%
Auxiliary		[illegible]05,712,021	116,105,396	10,393,375	9.8%
Available University Fund		–	–	–	0.0%
Restricted		211,634,826	214,887,453	3,252,627	1.5%
Unexpended Plant		4,577,000	4,577,000	–	0.0%
Subtotal - Expenditures (All Funds)		914,831,192	975,253,242	60,422,050	6.6%
Reconciling Adjustments:					
Tuition Discounting		(120,853,400)	(138,682,800)	(17,829,400)	14.8%
Depreciation		83,898,800	90,303,537	6,404,737	7.6%
Capital Outlay		(79,977,900)	(21,659,400)	58,318,500	-72.9%
Trsfrs for Debt Svc-Princ[illegible] Lease/SBITA Prin		(20,044,300)	(21,459,100)	(1,414,800)	7.1%
Total Expenses (Including Transf[illegible]r Interest)	$	777,854,392	883,755,479	105,901,087	13.6%

Note: Operating Budget Highlights wi[illegible]lossa[illegible] terms are included on Page 1.

The University of Texas Health Science Center at San Antonio
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The FY 2026 operating budget for The University of Texas Health Science Center at San Antonio reflects the first full year of operations for the Multi-Specialty Research Hospital (MSRH) and marks the beginning of a new era as two superb institutions unite as The University of Texas at San Antonio, a new transformational comprehensive university. With a deliberate commitment to preserving the workforce and building upon prior investments, the budget continues to advance the University's strategic priorities: expanding the clinical enterprise, growing research, and sustaining academic and operational excellence. These efforts are designed to create a model public research university for the nation that champions social mobility, improves health, and powers discovery. These continued and new investments are integral to the University's ten-year strategic plan and its pursuit of a visionary future.

The MSRH opened its doors on December 10, 2024, on schedule and within budget, delivering specialty surgery, advanced imaging, and comprehensive cancer care to San Antonio and South Texas. In February 2025, the hospital earned The Joint Commission's Gold Seal of Approval® for hospital accreditation, underscoring its commitment to quality and patient safety. Successful negotiations of payor contracts enabled the hospital to expand coverage and deliver services to the greater San Antonio market. This has increased volumes across a broad spectrum of services, including inpatient and outpatient surgeries, imaging and laboratory services, and complex oncology cases that will notably improve operating margins in FY 2026. Additionally, in April 2025, the Medical Arts and Research Center and Mays Cancer Center clinics transitioned to Hospital Outpatient Departments (HOPDs) under MSRH, establishing an integrated healthcare system focused on enhancing the patient experience and strengthening its culture of care.

The growth and expansion of the existing ambulatory clinical practices remain critical to achieving the Institution's goals of extending the clinical care network, increasing capacity and access for the community, broadening geographic reach, boosting overall patient volumes, and developing distinguished new residency programs. This will be supported through the launch of new clinic sites and facilities, such as the Center for Brain Health as well as through the introduction of new service lines such as podiatry and endocrinology in the community. Moreover, investments made in FY 2025 to upgrade Epic, the University's electronic health record system, are expected to yield significant efficiency gains in revenue cycle operations for both the hospital and all practice plans.

In June 2025, the Southern Association of Colleges and Schools Commission on Colleges approved the merger of the two University of Texas System institutions in San Antonio. With this merger, the new university will be the third largest research university in Texas and the most comprehensive with a highly articulated academic medical center combined with a large academic Carnegie R1 research university. Priorities will focus on advancing complementary research initiatives, strengthening disciplines where the institution leads nationally, fortifying research infrastructure across the new university, and preserving key resources to support sustainable research growth. The Center for Brain Health facility is scheduled to open in December 2025, delivering cutting edge therapies and multidisciplinary care for dementia, neurodegenerative diseases, and other neurologic disorders while fostering groundbreaking research and patient care. The facility will house the Biggs Institute for Alzheimer's and Neurodegenerative Diseases, one of only 33 National Institute on Aging-designated Alzheimer's Disease Research Centers (ADRCs) in the nation, and the only ADRC in Texas dedicated to studying and treating Alzheimer's, dementia, and related neurodegenerative diseases in South Texas, positioning the Biggs Institute to play a prominent role in the administration of the $3 billion Dementia Prevention Research Institute of Texas (DPRIT), established through Senate Bill 5 by the 89th Texas Legislature.

Revenue

The FY 2026 $1.9 billion revenue budget includes an increase of $0.2 billion, or 11.8%, in total revenues and transfers over the FY 2025 budget. Total clinical revenue inclusive of clinical contracts grew overall by $193.8 million (21.5%) and includes a full year of hospital and HOPD revenues. State Appropriations grew by $31.3 million (16.6%) due to increased formula funding dollars, new funding for the Dental Clinic Education and School of Public Health, and additional group insurance appropriations. Tuition and Fees grew by $4.5 million (6.4%) due to enrollment growth and previously approved tuition and fee rate increases for incoming students, and state appropriation transfers received for operations increased by $4.0 million (10.7%) due to increased incremental Trauma Research and Combat Casualty Care Collaborative funding budgeted in FY 2026. Offsetting this growth, Sponsored Program Revenues exclusive of clinical contracts decreased by $36.8 million (-10.7%) due to terminated federal grants and contracts and the projected loss of Facilities and Administrative revenues due to anticipated rate cuts at the federal level.

Expenses

The FY 2026 $1.9 billion expense budget includes an increase of $0.2 billion, or 8.9%, in total expenses and transfers over the FY 2025 budget. Personnel costs account for the largest area of expenditure growth ($85.1 million, 7.8%) with 990 planned faculty and staff recruitments needed in support of the hospital and research initiatives and an 8% increase in health insurance premiums. Operational expenses increased by $55.3 million (11.7%) primarily in support of clinical ambulatory expansion and full utilization of the hospital. Depreciation grew by $15.0 million (13.4%) primarily due to full amortization of the hospital and related equipment.

The University of Texas Health Science Center at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 74,004,018	72,378,519	80,958,106	8,579,587	11.9%
Less Discounts and Allowances	(4,000,000)	(2,337,144)	(6,411,213)	(4,074,069)	174.3%
Federal Sponsored Programs	280,446,621	277,600,076	236,023,075	(41,577,001)	-15.0%
State Sponsored Programs	28,879,159	28,881,031	27,909,032	(971,999)	-3.4%
Local and Private Sponsored Programs	353,691,415	342,374,029	361,371,687	18,997,658	5.5%
Net Sales and Services of Educational Activities	27,861,280	26,483,070	24,563,053	(1,920,017)	-7.2%
Net Sales and Services of Hospital and Clinics	168,097,605	245,979,511	436,470,033	190,490,522	77.4%
Net Professional Fees	404,074,255	347,354,867	[illegible]	(12,258,247)	-3.5%
Net Auxiliary Enterprises	6,240,442	11,210,104	[illegible]	1,138,571	10.2%
Other Operating Revenues	23,149,435	22,289,885	[illegible]	(237,126)	-1.1%
Total Operating Revenues	1,362,444,230	1,372,213,948	1,530,381,827	158,167,879	11.5%
Operating Expenses:					
Compensation - Faculty	460,249,607	449,958,228	478,440,179	[illegible]	6.3%
Compensation - Non-Faculty	301,156,821	[illegible]	286,705,016	(100,884,555)	-26.0%
Wages	103,834,930	[illegible]	149,962,246	135,479,635	935.5%
Benefits	231,962,514	[illegible]	[illegible]	22,057,014	9.2%
Personnel Costs	1,097,203,872	1,091,783,866	1,176,917,911	85,134,045	7.8%
Utilities	24,357,696	24,524,363	26,355,638	1,831,275	7.5%
Scholarships and Fellowships	17,842,324	16,560,674	16,134,712	(425,962)	-2.6%
Less Discounts and Allowances	(4,000,000)	(2,337,144)	(6,411,213)	(4,074,069)	174.3%
Operations, Maintenance and Travel	492,579,249	523,222,268	[illegible]	52,820,200	10.1%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(51,685,879)	(49,156,735)	2,529,144	-4.9%
Depreciation and Amortization	117,955,872	111,846,706	126,800,000	14,953,294	13.4%
Total Operating Expenses	1,712,233,433	[illegible]	1,866,682,781	152,767,927	8.9%
Operating Surplus/Deficit	(349,789,203)	[illegible]	(336,300,954)	5,399,952	-1.6%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	188,873,131	188,873,131	220,177,156	31,304,025	16.6%
Federal Sponsored Programs (Nonoperating)	1,250,000	1,250,000	1,250,000	–	0.0%
State/Local Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
Gifts in Support of Operations	9,963,517	7,603,029	8,472,106	869,077	11.4%
Net Investment Income	[illegible]	64,134,508	67,504,292	3,369,784	5.3%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	264,195,922	261,860,668	297,403,554	35,542,886	13.6%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	42,959,100	37,488,841	41,499,953	4,011,112	10.7%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(22,726,656)	(23,220,996)	(25,613,429)	(2,392,433)	10.3%
Total Transfers and Other	20,232,444	14,267,845	15,886,524	1,618,679	11.3%
Budget Margin (Deficit)	$ (65,360,837)	(65,572,393)	(23,010,876)	42,561,517	-64.9%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 1,669,599,252	1,671,563,457	1,869,285,334	197,721,877	11.8%
Total Expenses (Including Transfers for Interest)	(1,734,960,089)	(1,737,135,850)	(1,892,296,210)	(155,160,360)	8.9%
Budget Margin (Deficit)	$ (65,360,837)	(65,572,393)	(23,010,876)	42,561,517	
Reconciliation to Use of Prior Year Balances					
Depreciation		111,846,706	126,800,000		
Capital Outlay		(37,298,805)	(34,256,858)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(29,016,304)	(42,236,613)		
Budgeted Transfers		(3,176,307)	(1,780,003)		
Net Additions to (Uses of) Prior Year Balances		(23,217,103)	25,515,650		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Health Science Center at San Antonio
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 499,893,393	502,336,168	523,597,710	21,261,542	4.2%
Academic Support	79,745,242	80,134,925	76,528,400	(3,606,525)	-4.5%
Research	260,057,407	261,328,202	269,385,029	8,056,827	3.1%
Public Service	136,976,117	137,645,464	106,783,971	(30,861,493)	-22.4%
Hospitals and Clinics	450,695,192	452,897,556	594,393,219	141,495,663	31.2%
Institutional Support	87,555,145	87,982,991	88,318,144	335,153	0.4%
Student Services	3,509,009	3,526,156	3,853,[illegible]	327,267	9.3%
Operations and Maintenance of Plant	53,812,898	54,075,860	51,[illegible],337	(2,400,523)	-4.4%
Scholarships and Fellowships	9,043,024	9,087,214	5,398,495	(3,688,719)	-40.6%
Auxiliary Enterprises	12,990,134	13,053,612	19,949,053	[illegible]95,441	52.8%
Depreciation and Amortization	117,955,872	111,846,706	126,800,000	14,[illegible]294	13.4%
Total Operating Expenses	$ 1,712,233,433	1,713,914,854	1,866,682,781	152,767,927	8.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ 285,863,992	291,816,571	5,952,579	2.1%
Designated	[illegible]94,854,331	1,253,022,826	158,168,495	14.4%
Auxiliary	14,442,361	21,336,540	6,894,179	47.7%
Available University Fund	–	–	–	0.0%
Restricted	294,780,713	278,224,957	(16,555,756)	-5.6%
Unexpended Plant	4,000,000	4,000,000	–	0.0%
Subtotal - Expenditures (All Funds)	1,693,941,397	1,848,400,894	154,459,497	9.1%
Reconciling Adjustments:				
Tuition Discounting	(2,337,144)	(6,411,213)	(4,074,069)	174.3%
Depreciation	111,846,706	126,800,000	14,953,294	13.4%
Capital Outlay	(37,298,805)	(34,256,858)	3,041,947	-8.2%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(29,016,304)	(42,236,613)	(13,220,309)	45.6%
Total Expenses (Including Transfers for Interest)	$ 1,737,135,850	1,892,296,210	155,160,360	8.9%

Note: Operating Budget Highlights with Glossary of terms are included on Page 1.

STEPHEN F. AUSTIN STATE UNIVERSITY

Stephen F. Austin State University
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

With the FY 2026 budget, Stephen F. Austin State University begins its third year as a member of The University of Texas System. Under the leadership of Dr. Neal Weaver in his second year as president, Stephen F. Austin is finalizing its strategic plan prioritizing elevated academic programming, creating an empowering environment to retain exceptional faculty and staff, establishing Stephen F. Austin as a nationally recognized hub for interdisciplinary research, and enhancing the student experience to ensure all students have the opportunity for a transformative experience before and after graduation. Dr. Jordan Barkley joined Stephen F. Austin as Provost and Executive Vice President for Academic Affairs on July 1, 2025. Dr. Barkley will continue to develop and prioritize academic initiatives that lead to student success.

Building upon the Fall 2024 increase in first time undergraduate students, Stephen F. Austin anticipates a second year of enrollment growth. Enhanced funding for the Purple Promise program, as well as focused efforts to improve the application and enrollment processes, indicate an 8.0-10.0% increase in this population of students for Fall 2025. With the increasing trend for first time undergraduate students, along with improved first-year retention rates, total projected enrollment is forecasted to increase by 4.0% for FY 2026. With the increase in first time undergraduate students, the University is at capacity in on-campus living space and is currently analyzing the feasibility for constructing a new residence hall.

The University completed construction of a new dining hall that will begin serving students Fall 2025. The Forestry, Agriculture, and Interdisciplinary Project of $85.0 million funded with the combination of Capital Construction Assistance Project debt and Permanent University Fund Bond proceeds is under construction with an anticipated opening date of Fall 2027. The Greg Arnold Center for Entrepreneurship Building totaling $40.0 million has been approved and is in the planning stage. In addition, the University is developing plans to construct a new residence hall, with presentation for Board approval in FY 2026.

Revenue

The FY 2026 $226.9 million revenue budget includes an increase of $8.5 million, or 3.9%, in total revenues and transfers over the FY 2025 budget. Gross tuition and fees are expected to increase by $3.9 million, which represents a 4.0% increase primarily due to increased enrollment in undergraduate students. In addition, aligning Stephen F. Austin in line with other system academic universities, the University will implement a Medical Services Fee for an additional $1.0 million in Fall 2025. With the expected increase in residence hall occupancy, and housing and dining rate increases, student residential revenue is expected to increase slightly over FY 2025.

In FY 2026, general appropriation revenue will decrease $3.0 million due to reduced formula funding. As part of the system affiliation, the University received operational support from U.T. System for four years which includes FY 2026.

Expenses

The FY 2026 $245.9 million expense budget includes an increase of $11.8 million, or 5.0%, in total expenses and transfers over the FY 2025 budget. Salaries and wages continue to be the highest expense for the University and with an 8.0% projected escalation in related benefits will increase in total by approximately $10.9 million from the prior year budget. Faculty and staff market adjustments are budgeted at $1.0 million, and a $1.6 merit or equity pool was estimated for a mid-year increase dependent on Fall 2025 enrollment. Financial Aid expenditures are budgeted to increase $5.5 million to cover increased awards for academic excellence scholarships, Purple Promise and needs-based awards due to increased funding. Housing and Dining expenditures are expected to increase by $1.0 million with the increase in inflation and residence hall occupancy and rates. However, debt service interest and principal for FY 2026 totaling $15.5 million represents a decrease of $1.8 million due to retirement of auxiliary debt.

Stephen F. Austin State University
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 103,675,291	103,701,100	108,623,557	4,922,457	4.7%
Less Discounts and Allowances	(47,511,390)	(47,000,000)	(50,694,000)	(3,694,000)	7.9%
Federal Sponsored Programs	2,200,000	75,000	2,097,000	2,022,000	2696.0%
State Sponsored Programs	14,383,376	12,683,376	14,729,001	2,045,625	16.1%
Local and Private Sponsored Programs	1,600,000	161,000	1,552,726	1,391,726	864.4%
Net Sales and Services of Educational Activities	5,092,741	2,759,738	5,082,385	2,322,647	84.2%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises	36,801,284	41,151,073	[illegible]	(4,753,291)	-11.6%
Other Operating Revenues	360,000	1,657,003	[illegible]	(1,352,003)	-81.6%
Total Operating Revenues	116,601,302	115,188,290	118,093,451	2,905,161	2.5%
Operating Expenses:					
Compensation - Faculty	48,676,135	50,276,331	51,935,871	[illegible]	3.3%
Compensation - Non-Faculty	47,510,814	[illegible]	45,933,820	2,275,456	5.2%
Wages	13,313,051	[illegible]	12,405,191	1,959,339	18.8%
Benefits	42,157,500	[illegible]	[illegible]	4,963,720	12.6%
Personnel Costs	151,657,500	143,812,609	154,670,664	10,858,055	7.6%
Utilities	5,584,739	5,084,739	6,539,117	1,454,378	28.6%
Scholarships and Fellowships	63,846,008	57,513,996	67,050,976	9,536,980	16.6%
Less Discounts and Allowances	(56,561,179)	(54,000,000)	[illegible]	(6,350,000)	11.8%
Operations, Maintenance and Travel	53,884,337	55,624,337	[illegible]	(4,166,205)	-7.5%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(2,300,000)	(3,454,744)	(1,154,744)	50.2%
Depreciation and Amortization	22,500,000	[illegible]	24,950,000	1,950,000	8.5%
Total Operating Expenses	238,611,405	[illegible]	240,864,145	12,128,464	5.3%
Operating Surplus/Deficit	(122,010,103)	[illegible]	(122,770,694)	(9,223,303)	8.1%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	50,423,352	50,423,352	48,976,625	(1,446,727)	-2.9%
Federal Sponsored Programs (Nonoperating)	24,426,918	24,426,918	24,388,813	(38,105)	-0.2%
State/Local Sponsored Programs (Nonoperating)	–	4,000,000	4,063,000	63,000	1.6%
Gifts in Support of Operations	8,150,000	10,150,200	4,889,789	(5,260,411)	-51.8%
Net Investment Income	[illegible]	10,670,000	23,775,746	13,105,746	122.8%
Other Non-Operating Revenue	[illegible]	456,600	–	(456,600)	-100.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	103,841,583	100,127,070	106,093,973	5,966,903	6.0%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	2,716,175	3,050,415	2,716,175	(334,240)	-11.0%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(5,305,485)	(5,305,485)	(4,994,468)	311,017	-5.9%
Total Transfers and Other	(2,589,310)	(2,255,070)	(2,278,293)	(23,223)	1.0%
Budget Margin (Deficit)	$ (20,757,830)	(15,675,391)	(18,955,014)	(3,279,623)	20.9%
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 223,159,060	218,365,775	226,903,599	8,537,824	3.9%
Total Expenses (Including Transfers for Interest)	(243,916,890)	(234,041,166)	(245,858,613)	(11,817,447)	5.0%
Budget Margin (Deficit)	$ (20,757,830)	(15,675,391)	(18,955,014)	(3,279,623)	
Reconciliation to Use of Prior Year Balances					
Depreciation		23,000,000	24,950,000		
Capital Outlay		(1,600,000)	(2,570,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(12,694,609)	(11,414,986)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		(6,970,000)	(7,990,000)		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

Stephen F. Austin State University
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Budget Increases (Decreases) From 2025 to 2026 Percent
Operating Expenses:					
Instruction	$ 89,162,580	72,878,921	76,149,547	3,270,626	4.5%
Academic Support	13,290,195	16,887,390	19,256,479	2,369,089	14.0%
Research	868,799	6,120,220	4,762,829	(1,357,391)	-22.2%
Public Service	(1,819,929)	1,025,112	1,785,257	760,145	74.2%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	37,915,084	30,316,163	36,136,147	5,819,984	19.2%
Student Services	9,094,759	30,403,821	12,819,[illegible]	(17,584,425)	-57.8%
Operations and Maintenance of Plant	22,184,663	10,588,324	10,[illegible],670	(305,654)	-2.9%
Scholarships and Fellowships	3,241,712	5,855,389	10,514,901	4,659,512	79.6%
Auxiliary Enterprises	64,673,542	31,660,341	44,206,919	[illegible]46,578	39.6%
Depreciation and Amortization	–	23,000,000	24,950,000	1,[illegible]000	8.5%
Total Operating Expenses	$ 238,611,405	228,735,681	240,864,145	12,128,464	5.3%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Budget Increases (Decreases) From 2025 to 2026 Percent
Educational and General	$ 77,138,607	75,957,659	(1,180,948)	-1.5%
Designated	92,035,284	112,445,964	20,410,680	22.2%
Auxiliary	70,437,190	64,487,315	(5,949,875)	-8.4%
Available University Fund	–	–	–	0.0%
Restricted	39,724,694	42,352,661	2,627,967	6.6%
Unexpended Plant	–	–	–	0.0%
Subtotal - Expenditures (All Funds)	279,335,775	295,243,599	15,907,824	5.7%
Reconciling Adjustments:				
Tuition Discounting	(54,000,000)	(60,350,000)	(6,350,000)	11.8%
Depreciation	23,000,000	24,950,000	1,950,000	8.5%
Capital Outlay	(1,600,000)	(2,570,000)	(970,000)	60.6%
Trsfrs for Debt Svc-Princ. & Lease/SBITA Prin	(12,694,609)	(11,414,986)	1,279,623	-10.1%
Total Expenses (Including Transfers for Interest)	$ 234,041,166	245,858,613	11,817,447	5.0%

Note: Operating Budget Highlights with glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS

AT TYLER

(ACADEMIC AND HEALTH SCIENCE CENTER)

The University of Texas at Tyler
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The FY 2026 budget reflects The University of Texas at Tyler's ongoing commitment to enhancing student engagement and learning, empowering faculty to create transformative learning experiences for students, and deepening its relationship with the East Texas region so that U.T. Tyler is a vital part of the community and a key contributor to its success.

With this budget, U.T. Tyler is continuing to be proactive in addressing flat or decreasing enrollment trends in higher education by strategically positioning the university to attract and retain students. The FY 2026 budget reflects a multifaceted approach to growth and competitiveness, with targeted investments in academic innovation, student support, and institutional capacity. The budget reflects U.T. Tyler's commitment to investing in its workforce through merit-based salary adjustments to reduce turnover and attract top-tier faculty and staff in a competitive hiring landscape. These initiatives support the University's commitment to student success, teaching excellence and service to East Texas, thus ensuring U.T. Tyler remains a dynamic and resilient institution in a rapidly evolving higher education environment.

Revenue

The FY 2026 $216.3 million revenue budget includes an increase of $22.8 million, or 11.8%, in total revenues and transfers over the FY 2025 budget. U.T. Tyler continues to set new records in enrollment by leveraging partnerships with high schools and community colleges. These collaborations create strong and impactful pathways for East Texas students to achieve their educational dreams. For the second consecutive year, U.T. Tyler is on track to achieve its largest enrollment and semester credit hour (SCH) generation in institutional history. Currently, enrollment is up 11.6% year-to-date, and SCH is up [illegible]9% year-to-date. Notably, there is a 26.1% increase in graduate and professional enrollment year-to-date. While the recruitment cycle is still ongoing, we project a conservative 5.0% overall increase in SCH for the FY 2026 budget cycle. With continued growth through strategic partnerships, U.T. Tyler has emerged as the first-choice higher education institution for the region. The proposed operating budget reflects a $10.2 million increase in State-appropriated general revenue. This includes $2.5 million of continued support in FY 2026 for the critical care nursing program which was originally approved by the 88th Legislature and $2.5 million for the Longview Campus Expansion. Net Tuition and Fees is expected to grow to $74.2 million in the FY 2026 budget which is an increase of $5.2 million or 7.6% over the budget for fiscal 2025. Auxiliary enterprise revenue is expected to increase by $[illegible].5 million reflecting increasing student enrollment. The University also has received approved increases for both housing and meal plan rates for FY 2026 which are reflected in the increased Auxiliary enterprise revenue. Finally, an $8.1 million increase is expected in Nonexchange Federal revenue, to account for both enrollment growth and the increased percentage of students that will qualify for Federal financial aid.

Expenses

The FY 2026 $228.3 million expense budget includes an increase of $29.5 million, or 14.9%, in total expenses and transfers over the FY 2025 budget. The FY 2026 budget continues the key investments in colleges and schools to support continued enrollment growth. The FY 2026 budget includes a $10.6 million increase in compensation and wages, which includes a 2.5% merit pool for all eligible employees. This represents U.T. Tyler's commitment to attracting and retaining faculty and staff and keeping up with market rates for personnel. While the University is working through cost containment initiatives for personnel, some of these costs are outside of the University's control. One of these costs is medical insurance. The FY 2026 budget reflects an 8.0% increase for medical insurance. Finally, operations, maintenance, and travel expenses are expected to increase by 13.4%, associated with the general growth trajectory of the University, Longview Campus Expansion, and price increases in several operational areas.

The University of Texas at Tyler
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:						
Tuition and Fees	$	112,865,980	104,972,217	115,229,147	10,256,930	9.8%
Less Discounts and Allowances		(42,100,000)	(36,030,000)	(41,030,000)	(5,000,000)	13.9%
Federal Sponsored Programs		3,265,287	9,250,000	2,828,000	(6,422,000)	-69.4%
State Sponsored Programs		17,091,738	17,358,590	18,726,062	1,367,472	7.9%
Local and Private Sponsored Programs		1,071,422	800,000	437,000	(363,000)	-45.4%
Net Sales and Services of Educational Activities		11,040,084	10,510,000	12,579,842	2,069,842	19.7%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		–	–	[illegible]	–	0.0%
Net Auxiliary Enterprises		20,240,547	15,990,000	18,50[illegible]	2,517,921	15.7%
Other Operating Revenues		375,000	1,770,000	[illegible],958	(1,113,042)	-62.9%
Total Operating Revenues		123,850,058	124,620,807	127,934,930	3,314,123	2.7%
Operating Expenses:						
Compensation - Faculty		48,572,931	46,650,000	51,754,048	5,[illegible],048	10.9%
Compensation - Non-Faculty		41,899,171	40,550,00[illegible]	44,865,682	4,315,681	10.6%
Wages		4,485,971	4,400[illegible]	5,590,584	1,190,133	27.0%
Benefits		29,979,391	29,600,0[illegible]	[illegible],249,528	3,649,528	12.3%
Personnel Costs		124,937,464	121,200,452	135,459,842	14,259,390	11.8%
Utilities		3,264,574	2,823,264	3,369,011	545,747	19.3%
Scholarships and Fellowships		57,286,610	44,814,750	57,618,316	12,803,566	28.6%
Less Discounts and Allowances		(42,100,000)	(36,030,000)	([illegible],030,000)	(5,000,000)	13.9%
Operations, Maintenance and Travel		53,346,849	47,355,250	[illegible]93,914	6,338,664	13.4%
Less Capitalized Portion and Cap Lease/SBITA		(3,500,0[illegible]	(3,500,000)	(3,500,000)	–	0.0%
Depreciation and Amortization		17,053,835	[illegible]291,454	18,075,000	(216,454)	-1.2%
Total Operating Expenses		210,289,332	19[illegible]70	223,686,083	28,730,913	14.7%
Operating Surplus/Deficit		(86,439,274)	([illegible]34,[illegible]	(95,751,153)	(25,416,790)	36.1%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		42,701,567	42,447,440	52,735,706	10,288,266	24.2%
Federal Sponsored Programs (Nonoperating)		23,937,187	15,500,000	23,553,291	8,053,291	52.0%
State/Local Sponsored Programs (Nonoperating)		–	–	475,239	475,239	100.0%
Gifts in Support of Operations		1,500,000	1,500,000	1,506,572	6,572	0.4%
Net Investment Income		[illegible]7,702	8,189,955	8,624,792	434,837	5.3%
Other Non-Operating Revenue		[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)		[illegible]	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		77,926,456	67,637,395	86,895,600	19,258,205	28.5%
Transfers and Other:						
AUF/Approp/Other Transfers Received for Operations		[illegible]	1,268,898	1,514,857	245,959	19.4%
AUF/Approp/Other Transfers (Made) for Operations		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int		(6,092,192)	(3,775,713)	(4,570,176)	(794,463)	21.0%
Total Transfers and Other		(6,092,192)	(2,506,815)	(3,055,319)	(548,504)	21.9%
Budget Margin (Deficit)	$	(14,605,010)	(5,203,783)	(11,910,872)	(6,707,089)	128.9%

Total Revenues and AUF/Approp/Other Operating Trsfrs	$	201,776,514	193,527,100	216,345,387	22,818,287	11.8%
Total Expenses (Including Transfers for Interest)		(216,381,524)	(198,730,883)	(228,256,259)	(29,525,376)	14.9%
Budget Margin (Deficit)	$	(14,605,010)	(5,203,783)	(11,910,872)	(6,707,089)	
Reconciliation to Use of Prior Year Balances						
Depreciation			18,291,454	18,075,000		
Capital Outlay			(2,000,000)	(2,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(5,161,811)	(6,260,811)		
Budgeted Transfers			–	2,113,795		
Net Additions to (Uses of) Prior Year Balances			5,925,860	17,112		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas at Tyler
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
				Amount	Percent
Operating Expenses:					
Instruction	$ 79,635,582	78,039,468	84,322,158	6,282,690	8.1%
Academic Support	20,012,341	17,119,776	21,190,073	4,070,297	23.8%
Research	4,055,529	4,213,055	4,294,197	81,142	1.9%
Public Service	864,816	1,034,280	915,711	(118,569)	-11.5%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	18,833,011	17,018,537	19,941,339	2,922,802	17.2%
Student Services	24,189,042	15,751,632	25,612[illegible]	9,860,942	62.6%
Operations and Maintenance of Plant	17,549,774	13,169,852	18,[illegible],583	5,412,731	41.1%
Scholarships and Fellowships	14,469,999	12,910,000	15,321,563	2,411,563	18.7%
Auxiliary Enterprises	14,573,246	17,407,116	15,430,885	([illegible]76,231)	-11.4%
Depreciation and Amortization	16,105,992	18,291,454	18,075,000	([illegible]454)	-1.2%
Total Operating Expenses	$ 210,289,332	194,955,170	223,686,083	28,730,913	14.7%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

	FY 202[illegible] Adj[illegible]d [illegible]get	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026	
			Amount	Percent
Educational and General	$ 61,938,525	75,768,741	13,830,216	22.3%
Designated	[illegible]08,234,412	127,296,212	19,061,800	17.6%
Auxiliary	23,120,846	22,311,571	(809,275)	-3.5%
Available University Fund	–	–	–	0.0%
Restricted	26,212,207	29,725,345	3,513,138	13.4%
Unexpended Plant	4,125,250	4,370,201	244,951	5.9%
Subtotal - Expenditures (All Funds)	223,631,240	259,472,070	35,840,830	16.0%
Reconciling Adjustments:				
Tuition Discounting	(36,030,000)	(41,030,000)	(5,000,000)	13.9%
Depreciation	18,291,454	18,075,000	(216,454)	-1.2%
Capital Outlay	(2,000,000)	(2,000,000)	–	0.0%
Trsfrs for Debt Svc-Princ[illegible]Lease/SBITA Prin	(5,161,811)	(6,260,811)	(1,099,000)	21.3%
Total Expenses (Including Transfe[illegible]Interest)	$ 198,730,883	228,256,259	29,525,376	14.9%

Note: Operating Budget Highlights wit[illegible]ssa[illegible] terms are included on Page 1.

The University of Texas Health Science Center at Tyler
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas Health Science Center at Tyler—the region's only academic medical center—serves as a vital force in advancing health and enhancing quality of life across East Texas. The U.T. Health Science Center - Tyler is home to the region's first school of medicine, and it continues to expand its residency and graduate medical education (GME) programs. These efforts enable medical students to train locally, improve access to high-quality patient care, and increase the likelihood of retaining physicians within the region.

To support these strategic priorities, the FY 2026 operating budget is designed to sustain the growth of clinical services, extend the reach of faculty clinical operations, and support the ongoing development of the medical school—now in its third class—which necessitates further expansion of residency and Graduate Medical Education (GME) programs. U.T. Health Science Center - Tyler also continues to invest in the School of Health Professions, while advancing initiatives to improve healthcare quality and accessibility, maintain and modernize infrastructure, and invest in its greatest asset—its people.

Revenue

The FY 2026 $494.9 million revenue budget includes an increase of $56.2 million, or 12.8%, in total revenues and transfers over the FY 2025 budget. This increase is driven primarily by four initiatives; continued clinical growth, expansion of the facutly practice plan, expansion of the residency and GME programs, and tuition and fee revenue for the medical school.

Expenses

The FY 2026 $488.4 million expense budget includes an increase of $52.4 million, or 12.0%, in total expenses and transfers over the FY 2025 budget. This increase reflects the investment in four initiatives; continued clinical growth, expansion of the faculty practice plan, growth of the residency and GME programs, the addition of the third medical school class. The University continues to invest in the School of Health Professions, as well as ongoing outlays to improve the quality of and access to healthcare, maintain and improve infrastructure, and invest in and develop the University's human capital.

The University of Texas Health Science Center at Tyler
Operating Budget
Fiscal Year Ending August 31, 2026

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:						
Tuition and Fees	$	3,930,871	2,995,318	3,908,000	912,682	30.5%
Less Discounts and Allowances		(550,000)	(390,099)	(591,000)	(200,901)	51.5%
Federal Sponsored Programs		8,264,149	7,506,554	9,212,000	1,705,446	22.7%
State Sponsored Programs		16,613,392	15,090,400	11,043,000	(4,047,400)	-26.8%
Local and Private Sponsored Programs		113,157,505	102,784,071	139,388,000	36,603,929	35.6%
Net Sales and Services of Educational Activities		14,409,419	14,486,901	14,537,000	50,099	0.3%
Net Sales and Services of Hospital and Clinics		191,334,501	190,333,173	196,791,841	6,458,668	3.4%
Net Professional Fees		24,873,199	23,060,888	26,200,00[illegible]	3,139,112	13.6%
Net Auxiliary Enterprises		100,329	110,844	87[illegible]	(23,844)	-21.5%
Other Operating Revenues		10,147,180	9,277,991	6[illegible],000	(3,217,991)	-34.7%
Total Operating Revenues		382,280,545	365,256,041	406,635,841	41,379,800	11.3%
Operating Expenses:						
Compensation - Faculty		162,712,804	154,400,299	179,209,067	24,[illegible],768	16.1%
Compensation - Non-Faculty		85,365,551	77,010,86[illegible]	85,081,933	8,071,073	10.5%
Wages		2,346,819	3,662[illegible]	3,085,000	(577,719)	-15.8%
Benefits		58,701,160	54,908,8[illegible]	[illegible],492,000	8,583,167	15.6%
Personnel Costs		309,126,334	289,982,711	330,868,000	40,885,289	14.1%
Utilities		2,856,888	3,076,144	3,526,186	450,042	14.6%
Scholarships and Fellowships		934,522	1,289,633	1,669,000	379,367	29.4%
Less Discounts and Allowances		(550,000)	(390,099)	(591,000)	(200,901)	51.5%
Operations, Maintenance and Travel		138,314,333	125,247,677	1[illegible]47,817	9,900,140	7.9%
Less Capitalized Portion and Cap Lease/SBITA		(4,450,0[illegible])	(5,848,207)	(7,153,000)	(1,304,793)	22.3%
Depreciation and Amortization		16,380,348	[illegible]0,024,425	22,450,000	2,425,575	12.1%
Total Operating Expenses		462,612,425	43[illegible]4	485,917,003	52,534,719	12.1%
Operating Surplus/Deficit		(80,331,880)	([illegible]126,2[illegible])	(79,281,162)	(11,154,919)	16.4%
Budgeted Nonoperating Revenues (Expenses):						
State Appropriations		60,338,006	55,305,768	73,384,977	18,079,209	32.7%
Federal Sponsored Programs (Nonoperating)		–	–	–	–	0.0%
State/Local Sponsored Programs (Nonoperating)		–	–	–	–	0.0%
Gifts in Support of Operations		14,854,416	8,743,733	10,000,000	1,256,267	14.4%
Net Investment Income		[illegible]79,056	5,363,701	4,379,105	(984,596)	-18.4%
Other Non-Operating Revenue		[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)		–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)		78,471,478	69,413,202	87,764,082	18,350,880	26.4%
Transfers and Other:						
AUF/Approp/Other Transfer[illegible]ceived for Opera[illegible]		–	3,989,584	466,833	(3,522,751)	-88.3%
AUF/Approp/Other Trans[illegible](Made) for Operations		–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest [illegible]se/SBITA Int		(2,251,851)	(2,692,124)	(2,514,068)	178,056	-6.6%
Total Transfers and Other		(2,251,851)	1,297,460	(2,047,235)	(3,344,695)	-257.8%
Budget Margin (Deficit)	$	(4,112,253)	2,584,419	6,435,685	3,851,266	149.0%

		FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Op[illegible]g Trsfrs	$	460,752,023	438,658,827	494,866,756	56,207,929	12.8%
Total Expenses (Including Transfers for Interest)		(464,864,276)	(436,074,408)	(488,431,071)	(52,356,663)	12.0%
Budget Margin (Deficit)	$	(4,112,253)	2,584,419	6,435,685	3,851,266	
Reconciliation to Use of Prior Year Balances						
Depreciation			20,024,425	22,450,000		
Capital Outlay			(4,595,207)	(5,875,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin			(7,603,900)	(6,028,841)		
Budgeted Transfers			–	–		
Net Additions to (Uses of) Prior Year Balances			10,409,737	16,981,844		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Health Science Center at Tyler
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 25,630,324	20,344,620	30,673,943	10,329,323	50.8%
Academic Support	4,404,918	12,477,765	19,775,824	7,298,059	58.5%
Research	24,949,400	34,181,347	24,750,165	(9,431,182)	-27.6%
Public Service	–	–	–	–	0.0%
Hospitals and Clinics	355,994,145	316,198,287	355,341,796	39,143,509	12.4%
Institutional Support	12,270,365	17,139,444	14,907,523	(2,231,921)	-13.0%
Student Services	(3,220,025)	1,015,249	2,293,[illegible]	1,277,875	125.9%
Operations and Maintenance of Plant	13,214,002	10,915,990	14,[illegible],324	3,687,334	33.8%
Scholarships and Fellowships	12,949,127	1,047,713	1,078,000	30,287	2.9%
Auxiliary Enterprises	39,822	37,444	43,304	5,860	15.7%
Depreciation and Amortization	16,380,348	20,024,425	22,450,000	2,[illegible]575	12.1%
Total Operating Expenses	$ 462,612,426	433,382,284	485,917,003	52,534,719	12.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 263,475,303	284,874,506	21,399,203	8.1%
Designated	[illegible]41,197,624	166,685,445	25,487,821	18.1%
Auxiliary	20,386	43,304	22,918	112.4%
Available University Fund	–	–	–	0.0%
Restricted	19,887,750	26,872,657	6,984,907	35.1%
Unexpended Plant	4,058,126	–	(4,058,126)	-100.0%
Subtotal - Expenditures (All Funds)	428,639,189	478,475,912	49,836,723	11.6%
Reconciling Adjustments:				
Tuition Discounting	(390,099)	(591,000)	(200,901)	51.5%
Depreciation	20,024,425	22,450,000	2,425,575	12.1%
Capital Outlay	(4,595,207)	(5,875,000)	(1,279,793)	27.9%
Trsfrs for Debt Svc-Princ & Lease/SBITA Prin	(7,603,900)	(6,028,841)	1,575,059	-20.7%
Total Expenses (Including Transfers for Interest)	$ 436,074,408	488,431,071	52,356,663	12.0%

Note: Operating Budget Highlights with Glossary of terms are included on Page 1.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER

The University of Texas Southwestern Medical Center
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas Southwestern Medical Center, one of the nation's premier academic medical centers, integrates pioneering biomedical research with exceptional clinical care and education. The mission of U.T. Southwestern Medical Center is to promote health and a healthy society that enables individuals to achieve their full potential. This is accomplished by preparing the next generation of health care professionals and scientists to meet the needs of our community; conducting life-changing research for better treatments, prevention, and cures; and applying the highest standards of clinical excellence today, with continuous improvement and innovation for better care tomorrow.

Strategic positioning and programmatic investments are designed to sustain a trajectory of excellence and targeted growth. With support from the state and local communities, U.T. Southwestern Medical Center is enhancing public health with targeted attention to disease prevention and control, addressing health equity and disparities, and caring for an aging patient population. Investment in the new Peter O'Donnell Jr. School of Public Health realized its initial return with the commencement of its inaugural class in May 2025, providing critical resources needed to identify, predict, and address wide-scale health problems before they occur and respond to emerging public health emergencies. New state funding will accelerate the launch of a Center for Cell and Gene Therapy and competitively secure additional external research support to propel a new era of therapies to treat an array of life-threatening diseases, for which effective treatment is not currently available. The Peter O'Donnell Jr. Brain Institute continues to expand its research and clinical programs to advance the treatment and prevention of all forms of brain disease. Phase II of the most recent North Campus expansion, which includes the finish-out of space in the Peter O'Donnell Jr. Biomedical Research Building, is on target, with a scheduled completion of March 2026.

In addition to exceptional education and research programs, U.T. Southwestern Medical Center has earned national distinctions for providing patients with the highest-quality care and experience. The steady growth of patient volume continues to exceed projections, necessitating investment in additional capacity. Adding acute care capacity to North Texas, U.T. Southwestern Medical Center has begun construction on a new pediatric campus, a joint venture with Children's Health System of Texas. Projected to open in 2031, the 552-bed pediatric hospital, along with outpatient and facility support buildings, will expand the two organizations' collective commitment to advance the health of pediatric patients through cutting-edge care, research, and training the next generation of physicians and caregivers. In addition, U.T. Southwestern Medical Center began construction on a first-of-its-kind radiation oncology campus in the Fort Worth Medical District. Set to open in 2028, the facility will offer advanced cancer therapies, including the city's first MRI-guided precision radiation treatment and four new linear accelerators to deliver precise radiation treatments to patients. In conjunction, the institution is actively planning to bring inpatient care, surgical capability, and expanded ambulatory and cancer services to Tarrant County through a multispecialty ambulatory practice and a hospital that will become a pavilion of William P. Clements Jr. University Hospital. In all domains, the health care enterprise is executing a comprehensive strategic plan to optimize its care network; further develop destination service lines; enhance value, quality, access, and patient experience; and leverage outstanding research capabilities in clinical settings.

University leadership remains focused on recruiting industry leaders. Following national searches, several key positions were filled this year: Deborah Carlson, Ph.D., Assistant Dean for Research Support Facilities, Wendy W. Chapman, Ph.D., Associate Dean for Health Informatics and Director of the Center for Clinical Informatics, Antonia Chen, M.D., M.B.A., Chair of the Department of Orthopaedic Surgery, Jaehyuk Choi, M.D., Ph.D., Director of the Center for Cellular Therapy and Cancer Immunology, Jiang He, M.D. M.S., Ph.D., Chair of the Department of Epidemiology in the Peter O'Donnell Jr. School of Public Health, Tarek Rajji, M.D., Chair of the Department of Psychiatry, and James H. Willig, M.D., M.S.P.H., Associate Dean for Undergraduate Medical Education.

Revenue

The FY 2026 $6.4 billion revenue budget includes an increase of $0.9 billion, or 15.5%, in total revenues and transfers over the FY 2025 budget. This increase is driven by strong patient care volumes and growth in faculty practice plan professional fees. Annual inpatient growth rates have begun to slow as many current facilities are operating at close to full capacity; however, outpatient growth rates remain strong. Sponsored research is expected to decrease slightly, driven by changes and uncertainty in federal funding.

Expenses

The FY 2026 $6.3 billion expense budget includes an increase of $0.8 billion, or 14.3%, in total expenses and transfers over the FY 2025 budget. While expense growth is primarily driven by volume and revenue growth, U.T. Southwestern Medical Center has been materially impacted by inflationary trends in salaries, wages, benefits, and maintenance and operations. Capital investment in facilities and new initiatives has led to higher interest and depreciation expenses. The University continues to implement cost-saving measures where possible to limit expense growth.

The University of Texas Southwestern Medical Center
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Budget Increases (Decreases) From 2025 to 2026: Percent
Operating Revenues:					
Tuition and Fees	$ 33,726,912	32,888,092	34,330,293	1,442,201	4.4%
Less Discounts and Allowances	(3,000,000)	(3,000,000)	(3,000,000)	–	0.0%
Federal Sponsored Programs	383,711,369	393,423,775	378,430,019	(14,993,756)	-3.8%
State Sponsored Programs	45,279,101	45,402,473	60,236,526	14,834,053	32.7%
Local and Private Sponsored Programs	626,092,334	587,047,941	630,339,957	43,292,016	7.4%
Net Sales and Services of Educational Activities	22,722,855	16,516,475	16,595,376	78,901	0.5%
Net Sales and Services of Hospital and Clinics	2,974,782,189	2,645,980,070	3,231,544,483	585,564,413	22.1%
Net Professional Fees	1,091,176,333	1,001,017,900	[illegible]	171,298,204	17.1%
Net Auxiliary Enterprises	41,086,083	39,896,660	[illegible]	2,946,928	7.4%
Other Operating Revenues	360,201,125	267,246,923	[illegible]	(10,578,461)	-4.0%
Total Operating Revenues	5,575,778,301	5,026,420,309	5,820,304,808	793,884,499	15.8%
Operating Expenses:					
Compensation - Faculty	1,036,126,163	1,016,025,896	1,085,547,715	[illegible]	6.8%
Compensation - Non-Faculty	1,590,299,705	[illegible]	1,658,052,691	(114,094,380)	-6.4%
Wages	232,431,109	[illegible]	240,728,457	197,640,207	458.7%
Benefits	751,229,554	[illegible]	[illegible]	108,309,876	15.4%
Personnel Costs	3,610,086,531	3,534,576,045	[illegible]	261,377,522	7.4%
Utilities	31,029,622	32,741,832	34,303,903	1,562,071	4.8%
Scholarships and Fellowships	10,355,945	10,432,387	7,852,917	(2,579,470)	-24.7%
Less Discounts and Allowances	(3,000,000)	(3,000,000)	[illegible]	–	0.0%
Operations, Maintenance and Travel	1,961,717,989	1,598,348,620	[illegible]	531,243,336	33.2%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(49,266,694)	(63,962,691)	(14,695,997)	29.8%
Depreciation and Amortization	282,756,085	[illegible]	288,984,304	2,088,934	0.7%
Total Operating Expenses	5,852,720,550	[illegible]	6,189,723,956	778,996,396	14.4%
Operating Surplus/Deficit	(276,942,249)	[illegible]	(369,419,148)	14,888,103	-3.9%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	218,103,117	218,103,117	252,741,477	34,638,360	15.9%
Federal Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
State/Local Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
Gifts in Support of Operations	86,796,898	86,200,000	75,000,000	(11,200,000)	-13.0%
Net Investment Income	[illegible]	188,174,500	230,083,001	41,908,501	22.3%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	526,125,448	492,477,617	557,824,478	65,346,861	13.3%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	9,706,168	15,346,267	12,977,340	(2,368,927)	-15.4%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(65,947,999)	(68,174,192)	(73,560,536)	(5,386,344)	7.9%
Total Transfers and Other	(56,241,831)	(52,827,925)	(60,583,196)	(7,755,271)	14.7%
Budget Margin (Deficit)	$ 192,941,368	55,342,441	127,822,134	72,479,693	131.0%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 6,111,609,917	5,534,244,193	6,391,106,626	856,862,433	15.5%
Total Expenses (Including Transfers for Interest)	(5,918,668,549)	(5,478,901,752)	(6,263,284,492)	(784,382,740)	14.3%
Budget Margin (Deficit)	$ 192,941,368	55,342,441	127,822,134	72,479,693	
Reconciliation to Use of Prior Year Balances					
Depreciation		286,895,370	288,984,304		
Capital Outlay		(25,000,000)	(25,000,000)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(95,668,880)	(110,804,404)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		221,568,931	281,002,034		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Southwestern Medical Center
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 1,638,828,108	1,608,891,800	1,672,121,958	63,230,158	3.9%
Academic Support	98,860,583	86,544,136	108,810,776	22,266,640	25.7%
Research	631,523,361	575,162,314	644,394,057	69,231,743	12.0%
Public Service	29,451,667	31,781,336	25,656,448	(6,124,888)	-19.3%
Hospitals and Clinics	2,941,580,417	2,585,258,969	3,157,918,307	572,659,338	22.2%
Institutional Support	87,278,831	73,205,138	127,140,860	53,935,722	73.7%
Student Services	2,393,649	4,743,615	4,518,[illegible]	(224,626)	-4.7%
Operations and Maintenance of Plant	91,605,821	104,557,106	105,[illegible],703	1,262,597	1.2%
Scholarships and Fellowships	7,355,945	7,432,387	7,652,917	220,530	3.0%
Auxiliary Enterprises	41,086,083	46,255,389	46,705,637	[illegible]50,248	1.0%
Depreciation and Amortization	282,756,085	286,895,370	288,984,304	2,[illegible]934	0.7%
Total Operating Expenses	$ 5,852,720,550	5,410,727,560	6,189,723,956	778,996,396	14.4%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 250,321,686	293,062,463	42,740,777	17.1%
Designated	[illegible]06,421,405	5,224,535,861	718,114,456	15.9%
Auxiliary	53,547,114	54,276,560	729,446	1.4%
Available University Fund	–	–	–	0.0%
Restricted	480,385,057	516,229,708	35,844,651	7.5%
Unexpended Plant	25,000,000	25,000,000	–	0.0%
Subtotal - Expenditures (All Funds)	5,315,675,262	6,113,104,592	797,429,330	15.0%
Reconciling Adjustments:				
Tuition Discounting	(3,000,000)	(3,000,000)	–	0.0%
Depreciation	286,895,370	288,984,304	2,088,934	0.7%
Capital Outlay	(25,000,000)	(25,000,000)	–	0.0%
Trsfrs for Debt Svc-Princ[illegible]Lease/SBITA Prin	(95,668,880)	(110,804,404)	(15,135,524)	15.8%
Total Expenses (Including Transfe[illegible]Interest)	$ 5,478,901,752	6,263,284,492	784,382,740	14.3%

Note: Operating Budget Highlights wit[illegible] terms are included on Page 1.

The University of Texas Medical Branch at Galveston

The University of Texas Medical Branch at Galveston
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas Medical Branch at Galveston continues to shape the future of healthcare through innovation, clinical excellence, education, and groundbreaking research. As the University advances its strategic vision, the FY 2026 budget outlines a focused financial roadmap to support its mission of improving health locally and globally through transformative education, pioneering research, and high-quality care. Despite ongoing challenges such as changes in Medicaid Directed Payment Programs, increased employee health benefit costs, and broader federal economic headwinds, this budget reinforces a commitment to lead in delivering value-based care while maintaining excellence across its core missions.

Research is the cornerstone of discovery, and the University is advancing the frontiers of science to develop breakthrough treatments and cures for some of the world's most urgent health challenges. Physician-scientists play a leading role in these efforts, integrating clinical expertise with impactful research to drive innovation in patient care. The U.T. Medical Branch – Galveston is integrating education, research, and clinical care through innovation, advancing life-changing therapies and new technologies that will shape the future of medicine. In neurosciences, the University is pioneering brain research and leading advancements in neuroengineering and neurobionics to improve and transform lives. Its emphasis on healthy living and healthy aging supports longevity and well-being through research-backed educational and clinical programs rooted in the local community. In cardiology, kidney, and metabolic care, the University is advancing treatment options for chronic conditions through groundbreaking research that aims to improve outcomes and extend lives for future generations.

The University remains committed to developing a highly skilled healthcare workforce through innovative education and training, a priority reflected in budget support and national recognition. Recent milestones include the School of Nursing's 10-year accreditation from the Commission on Collegiate Nursing Education, and a 10th-place ranking in the 2025 U.S. News & World Report Best Online Master's in Nursing Programs. Additional recognition has been received by programs in Occupational Therapy, Physical Therapy, and Physician Assistant studies.

Central to the budget is the expansion of access to clinical care with continued growth in Clear Lake, League City, and an extensive network of clinics across Southeast Texas—generating resources that can be reinvested to further advance the University's mission. The budget supports growth in patient volumes across inpatient, surgical, and outpatient services, as well as strategic workforce expansion in key clinical areas such as primary care, specialty medicine, and surgical services. As part of the University's commitment to advancing specialized, high-impact care, the FY 2026 budget includes a new service line focused on Gene Therapy. By expanding clinical services across Southeast Texas, the University is bringing advanced treatments closer to home—ensuring patients have access to high-quality care, regardless of location.

Achieving financial and operational excellence across all mission areas remains a top priority to ensure long-term fiscal stability and support a resilient, high-performing infrastructure. Key initiatives, including revenue cycle optimization, are designed to drive continuous operational improvement.

Revenue

The FY 2026 $3.7 billion revenue budget includes an increase of $0.4 billion, or 11.2%, in total revenues and transfers over the FY 2025 budget. The primary driver is a $125.0 million increase in Ambulatory Care Services, led by $86.3 million in new Gene Therapy cases—delivering advanced, life-changing therapies. Additionally, $49.0 million is attributed to volume and rate growth across Ambulatory Clinics, $67.0 million for Correctional Managed Care, $38.0 million at the Clear Lake Hospital, and $16.6 million across all other hospitals. The University anticipates a $21.0 million increase in net professional fees, driven by strategic faculty hiring to support its expanding practice plan. Growth in pharmacy operations remains a key revenue driver, with Contract and Retail Pharmacy expected to add $38.7 million.

Expenses

The FY 2026 $3.7 billion expense budget includes an increase of $0.3 billion, or 10.3%, in total expenses and transfers over the FY 2025 budget. Key cost drivers include rising personnel, medical, and pharmaceutical expenses aligned with clinical revenue growth. To maintain efficiency amid expansion, The U.T. Medical Branch – Galveston has implemented targeted cost-containment strategies, including enhanced monitoring of clinical labor productivity and optimization of clinical capacity.

The University of Texas Medical Branch at Galveston
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 61,875,567	58,212,246	60,253,711	2,041,465	3.5%
Less Discounts and Allowances	(6,612,985)	(5,355,949)	(5,891,097)	(535,148)	10.0%
Federal Sponsored Programs	224,739,186	192,639,528	173,658,603	(18,980,925)	-9.9%
State Sponsored Programs	19,198,625	16,891,013	16,058,390	(832,623)	-4.9%
Local and Private Sponsored Programs	93,409,215	76,137,360	115,386,272	39,248,912	51.6%
Net Sales and Services of Educational Activities	14,463,106	12,669,892	17,827,876	5,157,984	40.7%
Net Sales and Services of Hospital and Clinics	2,149,801,746	2,007,636,721	2,255,417,361	247,780,640	12.3%
Net Professional Fees	335,441,730	291,025,005	[illegible]	56,473,806	19.4%
Net Auxiliary Enterprises	14,922,406	14,999,386	[illegible]	5,818	0.0%
Other Operating Revenues	164,763,870	177,594,339	[illegible]	25,696,713	14.5%
Total Operating Revenues	3,072,002,466	2,842,449,541	3,198,506,183	356,056,642	12.5%
Operating Expenses:					
Compensation - Faculty	277,421,989	250,113,752	287,868,171	[illegible]	15.1%
Compensation - Non-Faculty	1,176,189,327	[illegible]	1,184,151,459	10,919,293	0.9%
Wages	199,195,545	[illegible]	187,356,707	53,567,235	40.0%
Benefits	511,269,688	[illegible]	[illegible]	31,019,858	6.0%
Personnel Costs	2,164,076,549	2,076,923,716	[illegible]	133,260,805	6.4%
Utilities	36,077,625	46,393,586	48,668,795	2,275,209	4.9%
Scholarships and Fellowships	17,125,620	18,105,615	19,672,679	1,567,064	8.7%
Less Discounts and Allowances	(6,612,985)	(5,355,949)	[illegible]	(535,148)	10.0%
Operations, Maintenance and Travel	1,237,734,379	1,130,227,048	[illegible]	223,459,399	19.8%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(165,277,185)	(180,662,884)	(15,385,699)	9.3%
Depreciation and Amortization	237,462,745	[illegible]	241,843,588	4,956,451	2.1%
Total Operating Expenses	3,543,012,607	[illegible]	3,687,502,049	349,598,081	10.5%
Operating Surplus/Deficit	(471,010,141)	[illegible]	(488,995,866)	6,458,561	-1.3%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	385,280,879	385,135,256	405,608,361	20,473,105	5.3%
Federal Sponsored Programs (Nonoperating)	1,134,000	900,000	1,500,000	600,000	66.7%
State/Local Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
Gifts in Support of Operations	8,504,926	10,999,296	6,583,901	(4,415,395)	-40.1%
Net Investment Income	[illegible]	83,356,733	85,079,264	1,722,531	2.1%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	481,491,839	480,391,285	498,771,526	18,380,241	3.8%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	7,304,544	7,304,544	5,939,539	(1,365,005)	-18.7%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(42,786,242)	(41,269,286)	(40,715,569)	553,717	-1.3%
Total Transfers and Other	(35,481,698)	(33,964,742)	(34,776,030)	(811,288)	2.4%
Budget Margin (Deficit)	$ (25,000,000)	(49,027,884)	(25,000,370)	24,027,514	-49.0%
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 3,560,798,849	3,330,145,370	3,703,217,248	373,071,878	11.2%
Total Expenses (Including Transfers for Interest)	(3,585,798,849)	(3,379,173,254)	(3,728,217,618)	(349,044,364)	10.3%
Budget Margin (Deficit)	$ (25,000,000)	(49,027,884)	(25,000,370)	24,027,514	
Reconciliation to Use of Prior Year Balances					
Depreciation		236,887,137	241,843,588		
Capital Outlay		(137,864,054)	(146,568,816)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(99,878,313)	(114,658,462)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		(49,883,114)	(44,384,060)		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Medical Branch at Galveston
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 553,264,566	505,774,983	577,105,076	71,330,093	14.1%
Academic Support	93,131,659	83,885,149	97,144,760	13,259,611	15.8%
Research	138,290,640	157,505,071	144,249,669	(13,255,402)	-8.4%
Public Service	44,888,705	34,182,219	46,822,987	12,640,768	37.0%
Hospitals and Clinics	2,300,555,855	2,135,896,863	2,397,188,226	261,291,363	12.2%
Institutional Support	67,939,675	85,247,903	70,867,238	(14,380,665)	-16.9%
Student Services	10,380,882	9,564,641	10,828,[illegible]	1,263,560	13.2%
Operations and Maintenance of Plant	73,413,456	64,766,075	76,[illegible],887	11,810,812	18.2%
Scholarships and Fellowships	13,212,258	12,749,666	13,781,582	1,031,916	8.1%
Auxiliary Enterprises	10,472,166	11,444,261	11,093,835	([illegible]50,426)	-3.1%
Depreciation and Amortization	237,462,745	236,887,137	241,843,588	4,[illegible]451	2.1%
Total Operating Expenses	$ 3,543,012,607	3,337,903,968	3,687,502,049	349,598,081	10.5%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ [illegible],297,615,677	1,447,120,129	149,504,452	11.5%
Designated	[illegible]04,567,591	1,906,761,295	202,193,704	11.9%
Auxiliary	13,813,966	12,974,135	(839,831)	-6.1%
Available University Fund	–	–	–	0.0%
Restricted	225,818,869	233,991,589	8,172,720	3.6%
Unexpended Plant	143,568,330	152,645,257	9,076,927	6.3%
Subtotal - Expenditures (All Funds)	3,385,384,433	3,753,492,405	368,107,972	10.9%
Reconciling Adjustments:				
Tuition Discounting	(5,355,949)	(5,891,097)	(535,148)	10.0%
Depreciation	236,887,137	241,843,588	4,956,451	2.1%
Capital Outlay	(137,864,054)	(146,568,816)	(8,704,762)	6.3%
Trsfrs for Debt Svc-Princ [illegible] Lease/SBITA Prin	(99,878,313)	(114,658,462)	(14,780,149)	14.8%
Total Expenses (Including Transfers for Interest)	$ 3,379,173,254	3,728,217,618	349,044,364	10.3%

Note: Operating Budget Highlights with glossary of terms are included on Page 1.

The University of Texas Health Science Center at Houston

The University of Texas Health Science Center at Houston
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The University of Texas Health Science Center at Houston is Houston's Health University and Texas' resource for health care education, innovation, scientific discovery, and excellence in patient care. The most comprehensive academic health center in The University of Texas System and the United States Gulf Coast region, U.T. Health Science Center - Houston is home to schools of biomedical sciences, dentistry, public health, behavioral health sciences (SBHS), the D. Bradley McWilliams School of Biomedical Informatics, the Jane and Robert Cizik School of Nursing, and the John P. and Kathrine G. McGovern Medical School (MMS). It also includes the UTHealth Houston Behavioral Sciences Campus (BSC), comprising the John S. Dunn Behavioral Sciences Center (DBSC) and The University of Texas Harris County Psychiatric Center (HCPC), as well as clinical practices UT Physicians, UT Dentists, and UT Health Services.

U.T. Health Science Center - Houston continues the strategy of clinical expansion through key recruitments and acquisitions as a means to support the academic and research mission in FY 2026. Much of the budget growth is funded by the additional support of the University's primary hospital partners, Memorial Hermann Healthcare System (MHHS) and Harris Health System (HHS) as well as physician-generated revenue. The University and MHHS are in year three of five of a funding agreement and have an affiliation agreement through 2039. HHS contract support is also projected to expand further in FY 2026. The forthcoming $1.6 billion replacement hospital on the Harris Health Lyndon B. Johnson Hospital Campus, scheduled to open in late 2028, will provide an enhanced environment for clinical education, offering expanded training opportunities for MMS faculty, residents, and students. The FY 2026 budget includes continued funding from the Texas Incentives for Physicians and Professional Services program, a critical funding source for the University to provide quality clinical care to the underserved throughout Greater Houston.

The BSC is the largest academic psychiatry hospital in the country with 538 beds. Both DBSC and HCPC were approved additional funding in the most recent legislative session including supplemental appropriations funding for HCPC to fund renovation and deferred maintenance projects at the hospital. DBSC is expanding its outpatient services in FY 2026. Currently, DBSC offers two specialized programs that provide partial hospitalization (PHP) and intensive outpatient (IOP) services. The program is dedicated to treating co-occurring disorders, while the other focuses on eating disorders. In addition to these existing programs, DBSC is set to launch a new program in FY 2026 that will offer PHP and IOP services specifically for patients with affective disorders. This expansion reflects DBSC's commitment to providing a more comprehensive continuum of care to its patients.

Revenue

The FY 2026 $2.8 billion revenue budget includes an increase of $0.1 billion, or 4.5%, in total revenues and transfers over the FY 2025 budget. This is driven by MHHS and Harris Health contract increases of approximately $91.3 million and an additional $12.5 million in physician practice plan professional fee revenues due to recruitment efforts, increased faculty productivity, and revenue cycle optimization. The University is anticipating $25.4 million in new state appropriations revenue from the mission specific research formula, start-up funding for SBHS, and additional benefits support for Higher Education Group Insurance to offset premium sharing increases. The mission specific research formula in particular provides critical resources in recruiting and retaining the very best research faculty.

Due to uncertainty at the federal level, the institution budgeted indirect cost recoveries on federal awards at 30% in FY 2026, a $30.0 million impact to federal sponsored programs revenue. Investment income also continues its upward trends due to relatively high interest rates on short-term investment, as well as increasing distribution rates from the Long-Term Fund (endowment and non-endowment), providing additional resources for the University.

Expenses

The FY 2026 $2.8 billion expense budget includes an increase of $0.2 billion, or 6.5%, in total expenses and transfers over the FY 2025 budget. Consistent with recent years, compensation and the associated benefits for both faculty and non-faculty positions tied to enhanced clinical activities and required market adjustments, as well as new BSC outpatient services, are the primary drivers of the increase.

The University will also incur $7.5 million in additional expenses for debt service payments, depreciation, and other operating expenses associated with the opening of the new public health education and research building scheduled for June 2026, a 350,000 square foot building located near the Texas Medical Center Helix Park campus. The $320.6 million building is funded by Capital Construction Assistance Projects funding approved by the Texas legislature, the Permanent University Fund, and revenue financing.

The University of Texas Health Science Center at Houston
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026: Amount	Budget Increases (Decreases) From 2025 to 2026: Percent
Operating Revenues:					
Tuition and Fees	$ 74,271,282	73,468,729	78,893,059	5,424,330	7.4%
Less Discounts and Allowances	(2,148,329)	(8,885,500)	(9,250,000)	(364,500)	4.1%
Federal Sponsored Programs	296,996,401	300,110,769	275,936,698	(24,174,071)	-8.1%
State Sponsored Programs	24,563,778	42,914,695	22,262,232	(20,652,463)	-48.1%
Local and Private Sponsored Programs	1,008,082,092	982,149,064	1,078,043,091	95,894,027	9.8%
Net Sales and Services of Educational Activities	64,890,144	24,297,908	56,708,606	32,410,698	133.4%
Net Sales and Services of Hospital and Clinics	166,811,526	173,613,510	185,278,194	11,664,684	6.7%
Net Professional Fees	588,888,923	577,148,792	[illegible]	12,479,092	2.2%
Net Auxiliary Enterprises	23,166,689	33,099,246	[illegible]	(2,007,631)	-6.1%
Other Operating Revenues	58,640,659	104,915,144	[illegible]	(31,270,478)	-29.8%
Total Operating Revenues	2,304,163,165	2,302,832,357	2,382,236,045	79,403,688	3.4%
Operating Expenses:					
Compensation - Faculty	803,729,218	824,292,792	891,691,187	[illegible]	8.2%
Compensation - Non-Faculty	876,244,734	[illegible]	926,310,337	79,707,358	9.4%
Wages	25,800,287	[illegible]	[illegible]	392,361	1.5%
Benefits	400,903,366	[illegible]	[illegible]	34,567,873	9.1%
Personnel Costs	2,106,677,605	2,077,787,497	[illegible]	182,065,987	8.8%
Utilities	15,614,457	16,492,066	17,379,700	887,634	5.4%
Scholarships and Fellowships	10,769,824	14,331,084	15,754,296	1,423,212	9.9%
Less Discounts and Allowances	(2,148,329)	(8,885,500)	[illegible]	(364,500)	4.1%
Operations, Maintenance and Travel	488,531,063	501,998,695	[illegible]	(15,351,803)	-3.1%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(39,447,730)	(56,854,433)	(17,406,703)	44.1%
Depreciation and Amortization	[illegible]	[illegible]	100,814,001	14,195,370	16.4%
Total Operating Expenses	2,668,075,389	[illegible]	2,814,343,940	165,449,197	6.2%
Operating Surplus/Deficit	(363,912,224)	[illegible]	(432,107,895)	(86,045,509)	24.9%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	251,365,239	249,864,889	275,281,314	25,416,425	10.2%
Federal Sponsored Programs (Nonoperating)	15,362,405	13,432,827	14,362,405	929,578	6.9%
State/Local Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
Gifts in Support of Operations	14,683,871	17,000,000	16,000,000	(1,000,000)	-5.9%
Net Investment Income	[illegible]	106,875,606	122,749,084	15,873,478	14.9%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	400,209,733	387,173,322	428,392,803	41,219,481	10.6%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	15,819,705	12,877,307	13,849,670	972,363	7.6%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(11,860,823)	(10,181,167)	(16,818,933)	(6,637,766)	65.2%
Total Transfers and Other	3,958,882	2,696,140	(2,969,263)	(5,665,403)	-210.1%
Budget Margin (Deficit)	$ 40,256,391	43,807,076	(6,684,355)	(50,491,431)	-115.3%
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 2,720,192,603	2,702,882,986	2,824,478,518	121,595,532	4.5%
Total Expenses (Including Transfers for Interest)	(2,679,936,212)	(2,659,075,910)	(2,831,162,873)	(172,086,963)	6.5%
Budget Margin (Deficit)	$ 40,256,391	43,807,076	(6,684,355)	(50,491,431)	
Reconciliation to Use of Prior Year Balances					
Depreciation		86,618,631	100,814,001		
Capital Outlay		(25,774,992)	(26,757,399)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(28,827,236)	(42,975,105)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		75,823,479	24,397,142		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas Health Science Center at Houston
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 1,140,989,538	1,182,109,646	1,286,299,043	104,189,397	8.8%
Academic Support	79,625,398	91,128,127	96,438,773	5,310,646	5.8%
Research	330,255,481	330,287,354	345,020,254	14,732,900	4.5%
Public Service	93,307,584	84,624,940	91,153,263	6,528,323	7.7%
Hospitals and Clinics	737,880,023	697,460,093	711,773,856	14,313,763	2.1%
Institutional Support	114,467,051	91,262,649	97,474,332	6,211,683	6.8%
Student Services	15,297,525	14,952,996	16,366,[illegible]	1,413,968	9.5%
Operations and Maintenance of Plant	52,073,034	43,774,633	44,[illegible],412	481,779	1.1%
Scholarships and Fellowships	8,621,495	5,445,584	6,504,296	1,058,712	19.4%
Auxiliary Enterprises	19,073,758	21,230,090	18,242,746	[illegible]87,344)	-14.1%
Depreciation and Amortization	76,484,502	86,618,631	100,814,001	14,[illegible]370	16.4%
Total Operating Expenses	$ 2,668,075,389	2,648,894,743	2,814,343,940	165,449,197	6.2%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ 425,249,092	464,212,590	38,963,498	9.2%
Designated	[illegible]36,356,151	1,848,300,313	111,944,162	6.4%
Auxiliary	[illegible]27,443,536	28,374,490	930,954	3.4%
Available University Fund	–	–	–	0.0%
Restricted	444,624,628	468,443,983	23,819,355	5.4%
Unexpended Plant	2,271,600	–	(2,271,600)	-100.0%
Subtotal - Expenditures (All Funds)	2,635,945,007	2,809,331,376	173,386,369	6.6%
Reconciling Adjustments:				
Tuition Discounting	(8,885,500)	(9,250,000)	(364,500)	4.1%
Depreciation	86,618,631	100,814,001	14,195,370	16.4%
Capital Outlay	(25,774,992)	(26,757,399)	(982,407)	3.8%
Trsfrs for Debt Svc-Princ[illegible] Lease/SBITA Prin	(28,827,236)	(42,975,105)	(14,147,869)	49.1%
Total Expenses (Including Transf[illegible] Interest)	$ 2,659,075,910	2,831,162,873	172,086,963	6.5%

Note: Operating Budget Highlights wi[illegible]lossa[illegible] terms are included on Page 1.

THE UNIVERSITY OF TEXAS

M. D. ANDERSON

CANCER CENTER

0The University of Texas M. D. Anderson Cancer Center
Operating Budget Highlights
Fiscal Year Ending August 31, 2026

Introduction - Major Goals Addressed by FY 2026 Budget

The FY 2026 budget is strategically designed to support the future of The University of Texas M.D. Anderson Cancer Center and aligns with the Financial Plan, including our approach to long-term capital planning. The Financial Plan is one of the four pillars of the University's Strategic Direction and is intertwined with three other pillars, which include Our Strategy, a comprehensive philanthropic campaign, currently in the silent phase with plans to launch its public phase in November 2026, and the Master Facilities Framework, a plan to reimagine the campuses and expand the geographic footprint. Efforts are anchored in a dynamic and data-driven approach to achieving the aims outlined in the comprehensive Strategy, which focuses on three themes: Reach, Breakthroughs, and Value.

Reach – U.T.M.D. Anderson Cancer Center is expanding its reach across Texas through growth in the Texas Medical Center, Houston-area locations, and an expansion into Austin. As the University plans for a comprehensive cancer center in Central Texas, it is working closely with U.T. System and U.T. Austin Dell Medical School through the Medical Complex project to ensure an approach to facilities planning that better serves the Austin community. Efforts are also underway to support the planning of Kinder Children's Cancer Center, a joint venture of U.T.M.D. Anderson Cancer Centerand Texas Children's Hospital dedicated to ending childhood cancer, which was announced in FY 2025 and bolstered by a historic $150.0 million gift from the Kinder Foundation. The University is broadening its digital reach, with over 34.5 million visits to its website in 2024 and increasing visibility in AI-generated search engine overviews, reinforcing its reputation as a trusted source for cancer information and continues to produce expert digital content and expand access to virtual education through initiatives like Project ECHO. The University is also deepening its relationships with key international agencies, like the Union for International Cancer Control, to drive global impact.

Breakthroughs – The University remains committed to investing in research excellence, talent, and its academic mission while advancing innovative education and training programs and strengthening the integration of basic, translational, and clinical research. The establishment of Research Focus Areas is aimed at improving research management systems, optimizing lab and administrative operations, and centralizing clinical research oversight. The University is enhancing cross-department collaboration to accelerate discovery and expand its clinical trial portfolio, supporting long-term infrastructure and stewardship goals.

Value – U.T.M.D. Anderson Cancer Center continues to set national benchmarks in quality and safety, earning a five-star Vizient ranking for four consecutive years. It also earned its sixth Magnet designation in recognition of nursing excellence and first Magnet recognition with distinction, shared among only 26 hospitals worldwide. Patient experience focuses on expanding access and navigation, improving retention, and achieving top decile performance across clinical and satisfaction metrics reinforcing U.T.M.D. Anderson Cancer Center's commitment to excellence, brand strength, and continued improvement. To date, patient access and navigation efforts have resulted in an 8.0-11.0% increase in patient satisfaction scores in the ambulatory setting and approximately 21.0% increase in scores in select inpatient units.

The University is well-positioned to navigate ongoing global and economic headwinds - including inflation, tariffs, supply chain challenges, and international uncertainty – and to emerge stronger, safer, and more resilient. The FY 2026 financial and operational assumptions prioritize revenue growth exceeding expense growth and maintaining a positive operating margin and operating cash flow margin. The FY 2026 budget is guided by principles of smart growth and financial stewardship. This includes targeted employee growth in strategic areas tied to productivity, along with disciplined hiring practices. The University also remains focused on identifying operational efficiencies to slow the growth of non-personnel expenses and reinforce long-term financial sustainability.

Revenue

The FY 2026 $9.4 billion revenue budget includes an increase of $0.7 billion, or 8.4%, in total revenues and transfers over the FY 2025 budget. The revenue growth is driven by continued expansion of providers in strategic areas, productivity gains, and increases in clinical staff. A 3.5% overall price increase is included, reflecting market conditions. Higher deduction rates, resulting from current trends and changes in payor mix, are factored into the budget. At a state level, General Revenue Appropriation for U.T.M.D. Anderson Cancer Center increased by $73.9 million for the biennium.

Expenses

The FY 2026 $8.3 billion expense budget includes an increase of $0.6 billion, or 8.0%, in total expenses and transfers over the FY 2025 budget. Group insurance costs are projected to increase by 8.0% and depreciation by $25.0 million as compared to the prior year. At the same time, the FY 2026 budget includes investments in staff and physician positions to support increased patient volumes, as well as funding to maintain market competitiveness through merit and equity-based pay plans aligned with current market conditions for both faculty and staff.

The University of Texas M. D. Anderson Cancer Center
Operating Budget
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 1,880,126	1,963,980	1,917,729	(46,251)	-2.4%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	–	0.0%
Federal Sponsored Programs	319,820,939	341,694,871	320,371,759	(21,323,112)	-6.2%
State Sponsored Programs	42,472,589	39,745,465	43,338,840	3,593,375	9.0%
Local and Private Sponsored Programs	327,767,096	306,372,747	333,100,872	26,728,125	8.7%
Net Sales and Services of Educational Activities	2,407,861	2,000,000	2,500,000	500,000	25.0%
Net Sales and Services of Hospital and Clinics	6,530,879,000	6,462,813,518	7,074,042,551	611,229,033	9.5%
Net Professional Fees	515,471,000	520,912,494	[illegible]	20,069,906	3.9%
Net Auxiliary Enterprises	47,109,798	46,615,624	[illegible]	2,849,664	6.1%
Other Operating Revenues	102,847,150	105,000,000	[illegible]	(5,000,000)	-4.8%
Total Operating Revenues	7,890,645,559	7,827,108,699	8,465,709,439	638,600,740	8.2%
Operating Expenses:					
Compensation - Faculty	1,073,749,603	1,072,676,926	1,128,001,600	[illegible]	5.2%
Compensation - Non-Faculty	2,093,224,645	[illegible]	2,342,855,221	213,089,018	10.0%
Wages	71,628,440	[illegible]	[illegible]	(8,861,234)	-11.5%
Benefits	838,477,006	[illegible]	[illegible]	28,521,967	3.4%
Personnel Costs	4,077,079,694	4,129,905,286	[illegible]	288,074,425	7.0%
Utilities	50,711,006	52,225,326	55,533,034	3,307,708	6.3%
Scholarships and Fellowships	2,365,258	2,624,690	2,715,226	90,536	3.4%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	–	0.0%
Operations, Maintenance and Travel	[illegible]	4,201,580,180	[illegible]	518,980,469	12.4%
Less Capitalized Portion and Cap Lease/SBITA	[illegible]	(1,064,563,534)	(1,305,484,756)	(240,921,222)	22.6%
Depreciation and Amortization	[illegible]	[illegible]	406,518,452	41,980,395	11.5%
Total Operating Expenses	7,734,937,559	[illegible]	8,297,812,316	611,512,311	8.0%
Operating Surplus/Deficit	155,708,000	[illegible]	167,897,123	27,088,429	19.2%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations	223,047,851	223,047,851	257,951,306	34,903,455	15.6%
Federal Sponsored Programs (Nonoperating)	4,476,720	1,387,761	1,500,000	112,239	8.1%
State/Local Sponsored Programs (Nonoperating)	–	–	–	–	0.0%
Gifts in Support of Operations	152,500,000	159,390,492	160,000,000	609,508	0.4%
Net Investment Income	[illegible]	436,965,656	490,000,000	53,034,344	12.1%
Other Non-Operating Revenue	[illegible]	–	–	–	0.0%
Other Non-Operating (Expenses)	–	–	–	–	0.0%
Net Non-Operating Revenue/(Expenses)	895,024,571	820,791,760	909,451,306	88,659,546	10.8%
Transfers and Other:					
AUF/Approp/Other Transfers Received for Operations	–	–	–	–	0.0%
AUF/Approp/Other Transfers (Made) for Operations	–	–	–	–	0.0%
Trsfrs for Debt Svc-Interest & Lease/SBITA Int	(33,541,467)	(34,905,178)	(40,720,507)	(5,815,329)	16.7%
Total Transfers and Other	(33,541,467)	(34,905,178)	(40,720,507)	(5,815,329)	16.7%
Budget Margin (Deficit)	$ 1,017,191,104	926,695,276	1,036,627,922	109,932,646	11.9%

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Amount	Percent
Total Revenues and AUF/Approp/Other Operating Trsfrs	$ 8,785,670,130	8,647,900,459	9,375,160,745	727,260,286	8.4%
Total Expenses (Including Transfers for Interest)	(7,768,479,026)	(7,721,205,183)	(8,338,532,823)	(617,327,640)	8.0%
Budget Margin (Deficit)	$ 1,017,191,104	926,695,276	1,036,627,922	109,932,646	
Reconciliation to Use of Prior Year Balances					
Depreciation		364,538,057	406,518,452		
Capital Outlay		(1,016,062,862)	(1,248,357,110)		
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin		(102,068,108)	(107,970,899)		
Budgeted Transfers		–	–		
Net Additions to (Uses of) Prior Year Balances		173,102,363	86,818,365		

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

The University of Texas M. D. Anderson Cancer Center
Operating Budget - Operating Expenses by Function
Fiscal Year Ending August 31, 2026

	FY 2025 Projected	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Operating Expenses:					
Instruction	$ 96,340,205	96,357,874	98,770,840	2,412,966	2.5%
Academic Support	192,745,534	194,517,804	198,527,899	4,010,095	2.1%
Research	1,137,165,950	1,128,803,350	1,170,721,049	41,917,699	3.7%
Public Service	30,473,628	33,497,366	30,858,172	(2,639,194)	-7.9%
Hospitals and Clinics	5,351,767,352	5,333,908,755	5,822,463,834	488,555,079	9.2%
Institutional Support	203,445,846	230,140,493	230,557,333	416,840	0.2%
Student Services	3,119,013	2,833,867	3,084[illegible]	250,797	8.8%
Operations and Maintenance of Plant	300,040,406	267,093,237	301,[illegible],127	34,472,890	12.9%
Scholarships and Fellowships	3,127,040	3,533,328	3,208,946	(324,382)	-9.2%
Auxiliary Enterprises	29,750,000	31,075,874	31,535,000	[illegible]59,126	1.5%
Depreciation and Amortization	386,962,585	364,538,057	406,518,452	41,[illegible]395	11.5%
Total Operating Expenses	$ 7,734,937,559	7,686,300,005	8,297,812,316	611,512,311	8.0%

Operating Budget - Expenditures by Fu[illegible]
Fiscal Year Ending August 31, 2026

	FY 2025 Adjusted Budget	FY 2026 Operating Budget	Budget Increases (Decreases) From 2025 to 2026 Amount	Percent
Educational and General	$ [illegible],692,170,864	6,137,154,428	444,983,564	7.8%
Designated	[illegible]26,866,936	1,154,613,789	127,746,853	12.4%
Auxiliary	[illegible]39,480,134	39,886,186	406,052	1.0%
Available University Fund	–	–	–	0.0%
Restricted	700,227,300	708,340,867	8,113,567	1.2%
Unexpended Plant	1,016,062,862	1,248,357,110	232,294,248	22.9%
Subtotal - Expenditures (All Funds)	8,474,808,096	9,288,352,380	813,544,284	9.6%
Reconciling Adjustments:				
Tuition Discounting	(10,000)	(10,000)	–	0.0%
Depreciation	364,538,057	406,518,452	41,980,395	11.5%
Capital Outlay	(1,016,062,862)	(1,248,357,110)	(232,294,248)	22.9%
Trsfrs for Debt Svc-Princ[illegible] Lease/SBITA Prin	(102,068,108)	(107,970,899)	(5,902,791)	5.8%
Total Expenses (Including Transf[illegible] Interest)	$ 7,721,205,183	8,338,532,823	617,327,640	8.0%

Note: Operating Budget Highlights wi[illegible]lossa[illegible] terms are included on Page 1.

Library, Equipment, Repair and Rehabilitation and (LERR) and

FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs) PROGRAM INCLUDING THE RISING STARs PROGRAM

	FY 2025	Proposed FY 2026
LERR	$ 41,200,000	$ 79,200,000
STARs	35,800,000	35,800,000
TOTAL	$ 77,000,000	$ 115,000,000

History of FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARs) PROGRAM INCLUDING THE RISING STARs PROGRAM

In August 2004, the U.T. System Board of Regents approved an allocation of funds to be awarded to institutions to help attract and retain the best-qualified faculty. Funded through Permanent University Fund (PUF) bond proceeds, this awards program, named Faculty STARs, provided funding to help purchase state-of-the-art research equipment and make necessary laboratory renovations to encourage faculty members to perform their research at U.T. institutions. In support of exceptional younger tenure-track faculty, the Rising STARs program was established in 2016. The Board has allocated STARs funds to be used in both programs as follows.

STARs Allocation History		
	FY 2004 - FY 2025	
Academic Institutions	$	337,050,000
Health Institutions		280,550,000
TOTAL	**$**	**617,600,000**

The Faculty STARs program supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure through start-up or retention packages. The Rising STARs program makes up to $300,000 available for recruitment of promising faculty members who are recruited or retained in a tenure track position at any academic level. For both programs, the funds are available only for laboratory renovations and equipment purchases. Consistent with other PUF bond funded programs, the STARs awards may not be spent on operations.

The program makes a significant contribution toward accomplishing the goal of developing and further strengthening the research capacity of the institutions within U.T. System. The program has helped U.T. institutions recruit and retain some of the best researchers in the nation, recognized nationally and internationally for their scholarly achievements. Since the program's inception, these individuals have made a significant impact to U.T. System institutions through research grants, collaborations made with outside entities, and pending and issued patents as well as by encouraging future research and excellence.

THE UNIVERSITY OF TEXAS SYSTEM

OPERATING BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2026

A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B. Budget Amendments)

2. All appointments are subject to the provisions of the U.T. System Board of Regents' *Rules and Regulations* ("Regents' *Rules*") for the governance of The University of Texas System.

3. The established merit policy will be observed in determining salary rates.

4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31, or August 16 - May 15 for U.T. Austin) unless otherwise specified. In the health-related institutions, and medical schools of academic institutions, all salary rates are twelve-month rates unless otherwise specified.

5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the president or Chancellor. All appointments of administrative and professional personnel are based on twelve-month rates.

6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution or the Chancellor.

7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

B. BUDGET AMENDMENTS

1. Items requiring approval of the U.T. System Administration and subsequent approval by the U.T. System Board of Regents via the Consent Agenda

   a. New appointments of tenured faculty (Regents' Rule 31007).

   b. Award of tenure to any faculty member (Regents' Rule 31007).

   c. New appointments as Regental Professor (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus and similar honorary designations are conferred by the U.T. System Board of Regents.

   d. Appointments, promotions, and salary increases involving the president (Regents' Rules 20201, 20202, and 20203).

   e. New contracts or contract changes involving athletic directors or coaches whose total annual compensation equals or exceeds the amounts specified by Regents' Rule 10501 Section 2.2.12.

   f. Compensation changes for Key Executives as defined by Regents' Rule 20203.

   g. Compensation for Highly Compensated Personnel whose total annual compensation for the first time exceeds or may exceed the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 during the year and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).

   h. Compensation changes greater than five percent for Highly Compensated Personnel whose total annual compensation exceeds the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17 and who are not subject to B.1.e or B.2.f (Regents' Rules 10501 and 20204).

   i. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.

   j. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.

2. Items requiring approval of U.T. System Administration (no Consent Agenda approval required)

   a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.

   b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.

   c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.

   d. Compensation changes for Highly Compensated Personnel other than those subject to B.1.e or B.2.f with total annual compensation in excess of the amount set as the approved institutional contract threshold discussed in Regents' Rules and Regulations, Rule 10501, Subsection 2.2.17, whose change in total annual compensation is five percent or less and whose initial compensation was previously approved by the U.T. System Board of Regents (Regents' Rules 10501 and 20204).

   e. Appointments and compensation changes for Highly Compensated Personnel ($1 million or more) who are not subject to B.1.a, B.1.b, B.1.c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h or B.2.d (Regents Rule 20204).

   f. Appointments and promotions involving administrative and professional personnel reporting directly to the president.

B. BUDGET AMENDMENTS (CONTINUED)

3. Items requiring approval of the president only (Chancellor for U.T. System Administration)

   a. All interdepartmental transfers.

   b. All budget transfers between line-item appropriations within a department.

   c. Increases in budgeted amounts from income or unappropriated balances for Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.

   d. Reappropriation of Prior Year Educational and General Fund Balances, subject to the thresholds established in B.5 below.

   e. Promotions involving tenured faculty.

   f. New honorary title appointments as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations (Regents' Rule 31001).

   g. Transactions involving all other personnel except those specified in B.1.a, B.1.b, B.1c, B.1.d, B.1.e, B.1.f, B.1.g, B.1.h, B.2.d, B.2.e and B.2.f as defined above.

   h. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."

   i. Clinical faculty appointments or changes, including medical or hospital staff, without salary provided the clinical faculty member is not considered to be Highly Compensated Personnel.

4. Effective date of appointments and compensation increases

   a. Any increase in approved compensation for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.

   b. A compensation increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective at the time of the first performance of duties under the new appointment.

   c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.

   d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although increased compensation for the same classification or position is involved.

5. Budget amendment criteria

   a. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, of $1 billion or more will have a threshold of:
      i. For B.1i and B.1j – Equal to or greater than $10,000,000 (budget increase approval via the Consent Agenda)
      ii. For B.2a – Equal to or greater than $10,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
      iii. For B.2b and B.2c – Equal to or greater than $5,000,000 and less than $10,000,000 (budget increase approval by U.T. System Administration)
      iv. For B.3c – Less than $5,000,000 (budget increase approval by the president)
      v. For B.3.d – Less than $1,000,000 (reappropriation of E&G balances approval by the president)

B. BUDGET AMENDMENTS (CONTINUED)

b. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, between $250 million and $1 billion will have a threshold of:
   i. For B.1i and B.1j – Equal to or greater than $5,000,000 (budget increase approval via the Consent Agenda)
   ii. For B.2a – Equal to or greater than $5,000,000 (reappropriation of E&G balances approval by U.T. System Administration)
   iii. For B.2b and B.2c – Equal to or greater than $2,500,000 and less than $5,000,000 (budget increase approval by U.T. System Administration)
   iv. For B.3c – Less than $2,500,000 (budget increase approval by the president)
   v. For B.3.d – Less than $5,000,000 (reappropriation of E&G balances approval by the president)

c. Institutions other than U.T. System Administration with budgeted revenue, including transfers from the Available University Fund, less than $250 million will have a threshold of:
   i. For B.1i and B.1j – Equal to or greater than $2,500,000 (budget increase approval via the Consent Agenda)
   ii. For B.2a – Equal to or greater than $2,500,000 (reappropriation of E&G balances approval by U.T. System Administration)
   iii. For B.2b and B.2c – Equal to or greater than $500,000 and less than $2,500,000 (budget increase approval by U.T. System Administration)
   iv. For B.3c – Less than $500,000 (budget increase approval by the president)
   v. For B.3.d – Less than $2,500,000 (reappropriation of E&G balances approval by the president)

d. U.T. System Administration will have a threshold of:
   i. For B.1i and B.1j – Equal to or greater than $2,500,000 (budget increase approval via the Consent Agenda)
   ii. For B.2a and B.3e – All amounts may be approved by the Chancellor (reappropriation of E&G balances)
   iii. For B.2b, B.2c, and B.3c – All amounts less than $2,500,000 may be approved by the Chancellor (budget increase approval)
   iv. Notwithstanding i., ii., and iii., the Chancellor may authorize any budget amendment in the U.T. System revolving insurance or revolving systemwide information technology funds without limitation.

e. Notwithstanding a., b., and c. of this section, the president of an institution may authorize any budget amendment related to hospital patient care activities or Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plans or the Physicians Referral Service Plan without limitation if the budget increase is supported by a corresponding increase in revenue. This exception does not apply to increases from unappropriated balances.

C. OTHER CONSIDERATIONS

1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3e.

2. Compensation from the Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan, Faculty Services Research and Development Plan, Allied Health Faculty Services Plan, or Nursing Clinical Enterprise Health Services Research and Development Plan is contingent upon its being earned or available in accordance with the regulations applicable to the appropriate plan.

3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.

4. Leaves of Absence may be granted only in accordance with provisions contained in Regents' Rule 30201.

5. In these Rules, Compensation means total annual compensation as defined by Regents' Rule 20204 or total compensation under a multiyear contract.

6. Appropriations of the Available University Fund are subject to the appropriation limitations and notice requirements found in the General Appropriations Act.

THE UNIVERSITY OF TEXAS SYSTEM

FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2026

FACULTY WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

The general workload policy for faculty employed at U.T. System academic institutions is set forth in Regents' Rule 31006. Through established shared governance processes, each academic institution has been authorized by the U.T. System Board of Regents to establish a faculty workload policy that adheres to the provisions and reporting requirements of Rule 31006 and the *Texas Education Code* Section 51.402.

THE UNIVERSITY OF TEXAS SYSTEM

MEDICAL, DENTAL, NURSING, FACULTY SERVICES RESEARCH AND DEVELOPMENT PLANS, ALLIED HEALTH FACULTY SERVICES PLAN AND PHYSICIANS REFERRAL SERVICE

For Fiscal Year Ending August 31, 2026

RULES AND PROCEDURES

1. These Rules and Procedures are to be used for the Medical, Dental, Nursing, and Faculty Services Research and Development Plans, the Allied Health Faculty Services Plan and Physicians Referral Service ("the Plans") Budgets in conjunction with the Rules and Procedures for the General Operating Budget.

2. Budgeted expenditures authorized from the Plans are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.

3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U.S. Government as approved by the U.T. System Board of Regents shall be deposited in the appropriate institution's institutional Trust Fund Account.

4. Administration, operation, and disbursement of funds shall be in accordance with each institutional plan approved by U.T. System Administration and the U.T. System Board of Regents.

5. At U.T. Anderson Cancer Center, associate member earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member's specialty by the chief of the major service. All payments will be approved by the Executive Council of the Physicians Referral Service.

6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U.T. System Board of Regents and the U.T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR) AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS) AND SIMILAR FUNDED PROGRAMS BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2026

A. INITIAL BUDGET

1. The Chancellor is authorized to approve allocations of LERR and Faculty STARs to institutions within the program totals authorized by the U.T. System Board of Regents if specific allocations are not adopted when the Initial Budget is adopted.

2. Upon recommendation by the Executive Vice Chancellors for Academic, Health, and Business Affairs, the Chancellor may approve initial LERR projects if not specifically approved by the U.T. System Board of Regents when the Initial Budget is adopted.

3. U.T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures. This includes expenditures for STARs (including Faculty and Rising STARs), or similar funded programs.

4. Transfers by the U.T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.

5. Final approval of specific Repair and Rehabilitation projects will be in accordance with U.T. System Board of Regents established procedures for construction projects.

6. All expenditures are subject to the provisions of the Texas *Constitution* of the State of Texas and the U.T. System Board of Regents' Rules and Regulations and U.T. System Policies (UTS Policies).

7. All expenditures are subject to the guidance established by the U.T. System Board of Regents in the *Permanent University Fund (PUF) Bond Proceeds for Library, Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARs) and Similar Funded Programs Expenditure Guidelines.*

B. BUDGET AMENDMENTS

Items requiring approval of U.T. System Administration (no Consent Agenda approval required)

a. Substitute Library or Equipment purchases not on the approved list.

b. Substitute Repair and Rehabilitation projects not on the approved list.

c. Transfers of appropriated funds between approved Library, Equipment, Repair and Rehabilitation items.

C. RETENTION OF RECORDS

The Internal Revenue Service requires that invoice documentation supporting capital expenditures, including LERR, STARs, and similar programs funded with proceeds of tax-exempt bonds, be maintained for a period ending three years after the complete extinguishment of the bonds. Pursuant to the Texas *Constitution*, PUF bonds may be structured with a maximum maturity of 30 years. In order to comply with the IRS requirement and *UTS 181 Policy for Post Bond Issuance Federal Tax Compliance*, U.T. institutions shall maintain invoice documentation for 35 years for any capital expenditure funded with tax-exempt proceeds.

D. OTHER CONSIDERATIONS

1. All LERR appropriations must be expended within 36 months from the date of the award or the appropriation will lapse and be made available for future Systemwide reallocation.

2. All STARs or similar program appropriations must be expended within 36 months from the time the retained faculty member accepts the award, or the new faculty member arrives at the institution or the appropriation will lapse and be made available for future Systemwide reallocation.

3. U.T. System institutions receiving block STARs allocations have 36 months from the beginning of the fiscal year in which funds are allocated to award the funds to a specific faculty member or the appropriation will lapse and be made available for future Systemwide reallocation.

4. Notwithstanding the limitations adopted at the time LERR, STARs, or other similar funding was authorized, these *Budget Rules and Procedures* apply to all previously authorized LERR, STARs and similar funding.

5. In accordance with the *UTS 168 Capital Expenditure Policy*, LERR and STARs funding that is incorporated into a Major Project will be defined as PUF and will be subject to rules applicable to all Major Projects. Major Projects are defined by Regents' Rule 80301.

THE UNIVERSITY OF TEXAS SYSTEM

**PERMANENT UNIVERSITY FUND (PUF) BOND PROCEEDS FOR
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR)
AND FACULTY SCIENCE AND TECHNOLOGY ACQUISITION AND RETENTION (STARS)
AND SIMILAR FUNDED PROGRAMS EXPENDITURE GUIDELINES**

For Fiscal Year Ending August 31, 2026

A. AUTHORIZATION OF PUF BOND PROCEEDS FOR LERR, STARS, OR SIMILARLY FUNDED PROGRAMS

Article VII, Section 18 (b) of the Texas *Constitution* authorizes the U.T. System Board of Regents to issue bonds and notes secured by the U.T. System's interest in the Permanent University Fund for the purpose of:

- acquiring land, with or without permanent improvements;
- constructing and equipping buildings or other permanent improvements;
- major repair and rehabilitation of buildings and other permanent improvements;
- acquiring capital equipment; and
- acquiring library books and library materials.

It is for the last three purposes noted above that the U.T. System Board of Regents has established the LERR, STARs (including Faculty and Rising STARs), and similarly funded programs.

C. ELIGIBILITY FOR PROGRAM FUNDS

Eligibility for LERR, STARs, or other similar funded programs is the same as eligibility for PUF bond proceeds as set forth in the Texas *Constitution.*

D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS

In addition to meeting the constitutional requirements outlined above, the general guideline to determine whether an item is eligible for LERR, STARs, or similar funded programs, is that it must have a useful life of at least one year. The following sections are provided to assist with that determination. These guidelines are not intended to be exhaustive and any questions regarding LERR, STARs, or similar funded program eligibility should be directed to the U.T. System Administration Office of Budget and Planning.

Repair and Rehabilitation of Buildings or Other Permanent Improvements

Major repairs or rehabilitation of buildings or other permanent improvements include, but are not limited to, repairs, renovations, replacements, or betterments that are normally expected to extend the useful life, improve operating efficiency, eliminate health and safety hazards, correct structural or mechanical defects, upgrade the quality of existing facilities, or convert these assets to more useful functions, but that are not considered routine maintenance.

The cost of major repairs or rehabilitation of buildings or other improvements can include the contract price or cost of construction and other costs that would be applicable to make the building or improvement suitable for its intended use.

Acquisition of Capital Equipment

Capital equipment is generally regarded as nonexpendable, tangible personal property having a useful life of more than one year. The acquisition cost for equipment includes the net invoice price, including any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. In addition, taxes, duty, in-transit insurance, freight, and installation charges are also included as part of the acquisition cost. Capital equipment, including software, that will be used Systemwide, or between and among U.T. institutions and System Administration, is eligible for LERR, STARs, or similar program funds.

Warranties and Similar Service Features

The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARs, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a laptop purchase is not allowed.

Software

Any capitalized costs associated with the development or implementation of software, including personnel costs (salaries), are eligible for LERR, STARs, or similar funded programs if they are incurred in the Application Development Stage as defined by *Statement No. 51 of the Governmental Accounting Standards Board* “Accounting and Financial Reporting for Intangible Assets.” This principle applies whether the salaries are paid to employees of the institution or to outside parties. Training costs related to software usage are discussed below.

The purchase of bundled software included as part of the initial acquisition of computer hardware is capitalizable regardless of threshold and therefore eligible for LERR, STARs, or similar program funds.

Software maintenance costs are considered operating expenses and therefore are not eligible for LERR, STARs, or similar program funds as these are considered operating expense.

Costs for software licenses with a useful life extending beyond one year that will be owned are eligible for LERR, STARs, or similar program funds. Leased or licensed software that requires the payment of an annual fee (i.e., does not have a useful life extending beyond one year) and that will not be owned when the license expires is not eligible for LERR, STARs, or similar program funds.

Employee Training and Travel Costs

Employee training and travel costs are not eligible for LERR or STARs program funds as these are considered operating expenses.

D. GENERAL GUIDELINES FOR USE OF PROGRAM FUNDS (CONTINUED)

Operating Expenses

Consumables, which generally include those items that have an expected useful life of less than one year, are not eligible for LERR or STARs program funds as these are considered operating expenses. Some examples include, but are not limited to: chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.

Examples of other operating expenses that are not eligible for LERR or STARs program funds include, but are not limited to: monthly telephone services, animals, software maintenance cost, and routine maintenance.

Acquisition of Library Books and Library Materials

The acquisition of library books and library materials is eligible for LERR. A library book is generally defined as a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library materials are information sources other than books, including journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items that provide information essential to the learning process or enhance the quality of university library programs. The purchase of a license for library materials is allowable if the license period is in excess of one year. Annual license subscriptions and payments are not eligible for LERR.

The acquisition cost of library books and library materials can include the invoice price, freight-in, handling and insurance, binding, electronic access charges, reproduction, and other like costs required to put the asset in place, except for library salaries.

Prohibition for Student Housing, Athletics, and Auxiliary Enterprises

Article VII, Section 18 (d) of the Texas *Constitution* prohibits the use of PUF bond proceeds, and therefore the use of LERR, STARs, and similar program funds, for student housing, intercollegiate athletics, or auxiliary enterprises.

E. SPECIAL PROGRAM FUNDING

Allocations of STARS funding by the Board of Regents are for the Faculty STARs program. With appropriate approvals those funds can be redirected to the Rising STARs program. U. T. System institutions receiving block STARs allocations can elect to use them as either Faculty STARs or Rising STARs without further approval being required.

Faculty STARs Program

The Faculty STARs program funded by PUF bond proceeds supports the recruitment and retention of the best-qualified faculty at both academic and health institutions by providing additional resources to build and enhance research infrastructure. Because the Faculty STARs program is funded in the same manner as LERR, the same guidelines apply, and each item must have a useful life of more than one year. Faculty STARs funds are available for laboratory renovation and equipment purchases; however, faculty and other staff salaries cannot be paid from Faculty STARs funds.

There are three related program goals that form the basis of the Faculty STARs program:

- recruit senior faculty with national prominence; and
- improve the quality of new faculty and research capacity of the institutions by augmenting the start-up packages for tenure and tenure-track faculty; and
- retain high quality faculty who have had offers from another research institution or have the potential to leave because of limited access to quality equipment or laboratories.

Rising STARs Program

The Rising STARs program makes up to $300,000 available for recruitment of promising faculty members who are recruited in a tenure track position at any academic level, i.e., assistant, associate, or full professor. Rising STARs funding is limited to the same equipment and renovation expenditure restrictions as Faculty STARs.