THE UNIVERSITY OF TEXAS SYSTEM

OPERATING BUDGET SUMMARIES

AND RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION AND FACULTY STARs

FISCAL YEAR 2027

AUGUST 2026

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 M. D. Anderson Cancer Center ◆ The University of Texas System Administration

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For Fiscal Year Ending August 31, 2027

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THE UNIVERSITY OF TEXAS SYSTEM

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For the Year Ending August 31, 2027

INTRODUCTION

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. With enrollment of more than 270,000 students at academic and health institutions across the state, as well as an operating budget of $36.6 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 69,000 graduates annually, including more than one-third of the state's undergraduate degrees and about 56% 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 a 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 160,000 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 more than 12.1 million outpatient visits and more than 2.3 million hospital days in the last year reported. In addition to world class patient care, researchers at U.T. institutions are on the frontline of discovery and innovation. The U.T. System's nearly $5.2 billion research enterprise is among the nation's most innovative, ranking No. 1 in Texas, No. 2 in the U.S. for total research expenditures and No. 3 for federal research expenditures.

Healthcare expansion across U.T. System continues to advance with several major projects. In October 2024, U.T. Southwestern Medical Center and Children's Health, both based in Dallas, broke ground on a $5 billion pediatric campus. Once completed, the campus will be among the largest pediatric hospitals in the nation. More recently, in April 2026, U.T. Tyler celebrated the grand opening of the U.T. Tyler School of Medicine building, home of East Texas' first medical school. Leveraging major gifts received, U.T. Austin announced the U.T. Dell Medical Center to be constructed in Austin providing an integrated, patient-centered model powered by AI that will also include an integration of U.T.M.D. Anderson Cancer Center in the delivery of cancer care.

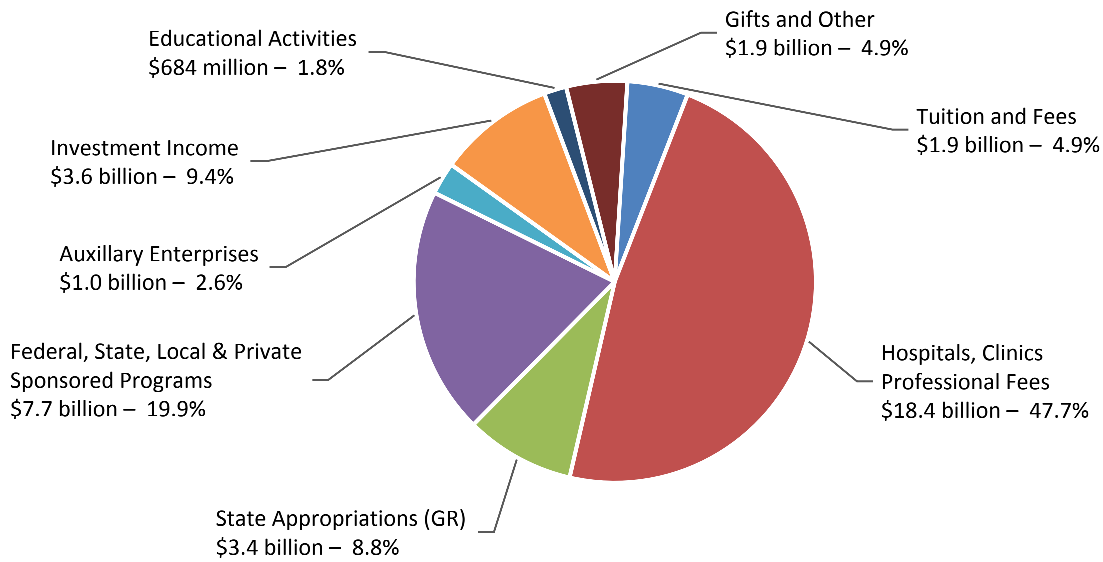
Research activity across U.T. System continues to demonstrate strong growth and impact. In April 2026, U.T. Arlington secured an $86 million contract from the U.S. Navy to advance power and propulsion systems critical to the future of naval shipbuilding. Earlier, in January 2026, U.T. System and NASA's Johnson Space Center signed a Space Act Agreement to expand opportunities for research collaboration, workforce development, and educational engagement in support of space exploration and national security. These milestones underscore the U.T. System's commitment to driving innovation, strengthening strategic partnerships, and advancing research that addresses national priorities.

Transformational initiatives implemented over the past several years continue to cement U.T. System as a national leader in higher education, including in August of 2024, a plan was announced to integrate U.T. San Antonio with U.T. Health Science Center - 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.

College affordability remains a top priority across U.T. System. In 2022, the U.T. System launched the Promise Plus program, establishing a nearly $300 million endowment to supplement existing financial aid programs and cover tuition and mandatory fees for eligible Texas resident undergraduate students attending full time. In November 2024, the program was expanded to include additional support across U.T. academic institutions. Building on that commitment, the program was further expanded in November 2025 to include U.T. health institutions. . In May 2026, an additional $40 million endowment was established with an additional $130 million of funds proposed in August. These investments reflect the U.T. System's ongoing dedication to increasing access, reducing financial barriers, and helping students achieve their educational goals without the burden of excessive debt.

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 $38.6 BILLION



The budget includes both operating and nonoperating revenue used to support the System's activities. Combined revenue for FY 2027 is $38.6 billion, up 10% or $3.5 billion from FY 2026. The growth in revenue is attributed to ***Net Sales and Services of Hospitals and Clinics*** ($1.8 billion or 13.4%), ***Federal Sponsored Programs*** ($602 million or 18.9%) and ***Local and Private Sponsored Programs*** ($305 million or 10.1%).

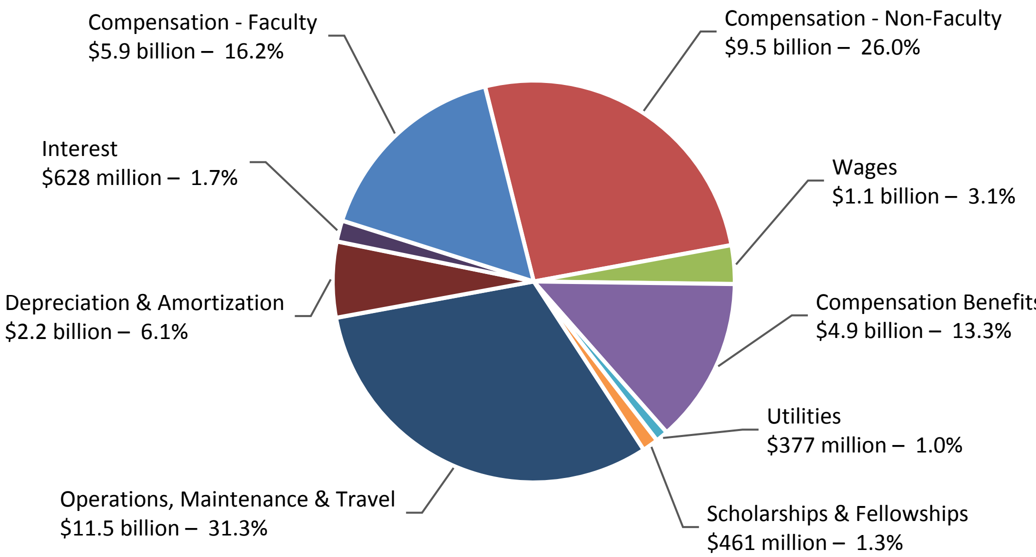
Overall, institutions with hospitals are anticipating growth in ***Net Sales and Services of Hospitals and Clinics***, most significantly at U.T.M.D. Anderson Cancer Center ($958 million), U.T. Southwestern Medical Center ($488 million), and U.T. Medical Branch - Galveston ($223 million). These institutions are anticipating patient volume increases for hospital inpatient and clinical outpatient activities. In addition, cost-reimbursable activity related to correctional managed care with Texas prison inmates is a factor for U.T. Medical Branch - Galveston.

Growth in ***Federal Sponsored Programs*** is most significant at U.T. Austin ($430 million), U.T. System Administration ($46 million), U.T. Arlington ($40 million). Projected research award activity as well as increases in Pell Grant funding is the primary driver for the academic institutions. U.T. Austin budgeted for significant cuts in FY 2026 due to the federal funding changes expected this time last year with respect to awards and indirect cost recovery. FY 2027 is reflecting a correction to the budget based on actual activity in FY 2026. For U.T. System Administration the increase is attributed to the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription drug coverage.

Local and Private Sponsored Programs increased for the majority of institutions with the most significant increases at U.T. Health Science Center - Houston ($114 million), U.T. Southwestern Medical Center ($91 million), and U.T. Austin ($54 million). The source of the increase is associated with the hospital contracts and private grant activity projections

Based on type of institution, the most significant areas of growth for health care institutions include ***Net Sales and Services of Hospitals and Clinics*** ($1.8 billion or 13.4%), ***Other Operating Revenues*** ($283 million or 42.7%), and ***Local and Private Sponsored Programs*** ($240 million or 9%). The most significant areas of growth for academic institutions include ***Federal Sponsored Programs*** ($521 million or 30.2%), ***Net Auxiliary Enterprise*** ($92 million or 11.7%), and ***Local and Private Sponsored Programs*** ($64 million or 18.1%).

EXPENSES BY NATURAL CLASSIFICATION $36.6 BILLION



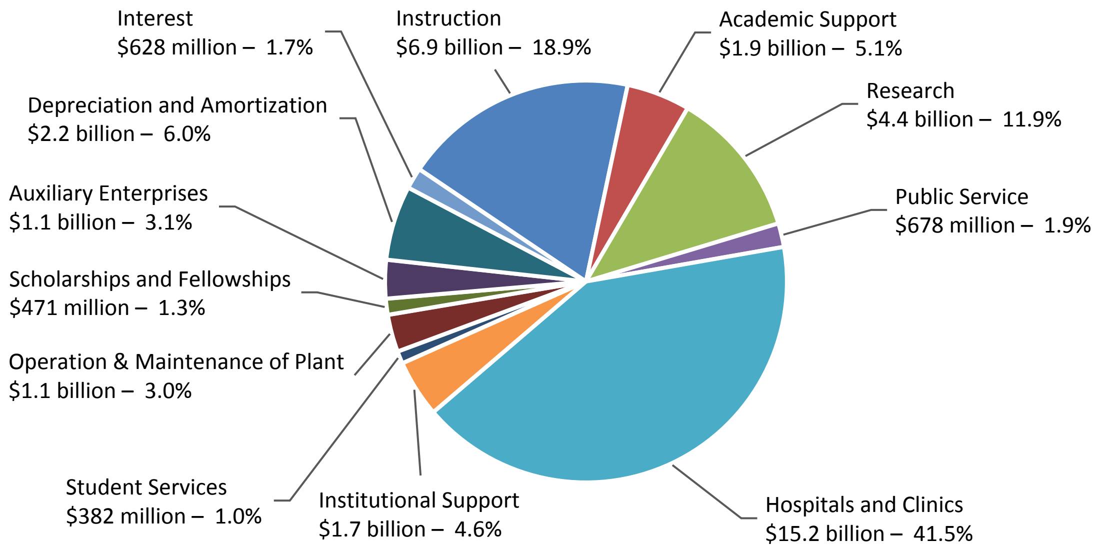
Expenses reflected in the budget include all operational activities, limited nonoperating expenses, and transfers to U.T. System Administration made to fund debt service interest. Depreciation and amortization expenses are also included in the budget. Conversely, capital outlay, capitalized lease payments, subscription-based information technology arrangement (SBITA) payments and transfers for debt service principal payments are excluded. Combined expenses for FY 2027 are $36.6 billion, up 9.9% or $3.3 billion from FY 2026.

The most significant change is ***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 $1.9 billion, up 10% over FY 2026. For U.T. System, these costs represent 58.6% of Total Expenses and 58.9% of the overall expense increase. Most 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 keeping increases at lower levels for FY 2027. The most significant increases are projected at U.T.M.D. Anderson Cancer Center ($674 million), U.T. Southwestern Medical Center ($495 million), U.T. Austin ($260 million), and U.T. Medical Branch - Galveston ($188 million). Decreases in budget due to budget cuts or reduction in sponsored programs is reflected by U.T Permian Basin and U.T. Tyler.

Operations, Maintenance and Travel which increases $1.7 billion or 13.6% before adjustment for the capitalized portion. U.T.M.D. Anderson Cancer Center ($480 million), U.T. Southwestern Medical Center ($352 million), and U.T. Medical Branch - Galveston ($160 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 Cancer Center specifically identifies the majority of the increase is in medical and drug supplies to support increased patient volume. Other health institutions experience similar increases but on a smaller scale. Growth at most academic institutions ranges from 2.6% to 25.6% due to auxiliary enterprise increases or programs funded from sponsored program activity. The largest dollar increase is anticipated at U.T. Austin ($342 million).

Scholarships and Fellowships (before adjustment for tuition discounts and allowances) are anticipated to increase $206 million or 11.6% overall. The largest increase is at U.T. San Antonio ($54 million).

EXPENSES BY FUNCTIONAL CLASSIFICATION $36.6 BILLION



The most significant functional areas of growth include ***Hospitals and Clinics*** ($1.9 billion or 14.4%), ***Research*** ($347 million or 8.6%) and ***Instruction*** ($332 million or 5.1%).

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.M.D. Anderson Cancer Center ($767 million), U.T. Southwestern Medical Center ($662 million), U.T. Medical Branch - Galveston ($269 million), and U.T. Health Science Center - San Antonio ($85 million).

Changes in anticipated ***Research*** expenses are projected to occur at U.T. Austin ($114 million) and U.T.M.D. Anderson Cancer Center ($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. Southwestern Medical Center ($118 million), U.T. Health Science Center - Houston ($87 million), U.T. Health Science Center - San Antonio ($53 million), U.T.M.D. Anderson Cancer Center ($23 million) and both U.T. Medical Branch - Galveston and U.T. Austin ($14 million each).

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,* GASB Statement No. 38, *Certain Financial Statement Note Disclosures and GASB Statement No. 103 Financial Reporting Model Improvements.* 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 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 Surplus (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, all 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 the way the funds are presented in each institution's Statement of Revenues, Expenses, and Changes in Net Position included in the U.T. System Annual Financial Report.

PRESENTATION OF FY 2026 PROJECTED ACTUAL TOTALS

All U.T. institutions have prepared a projection of FY 2026 activity in a format comparable to that presented for the FY 2026 adjusted and FY 2027 proposed budgets. This projection was based on activity through May 2026.

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. For FY 2026, With GASB 103, federal funding for Pell Grants is included as operating revenue rather than nonoperating revenue.

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)

Noncapital Subsidies and Other Nonoperating Revenues (Expenses):

For FY 2026, GASB 103 divided nonoperating activity into two categories. Noncapital subsidies represent resources received or provided without a direct exchange of goods or services that lower current or future fees. They are presented as a distinct nonoperating subtotal immediately following budget margin surplus (deficit) to enhance government financial statement comparability. All other nonoperating revenues (expenses) fall under the second category.

Noncapital Subsidies

STATE APPROPRIATIONS (Including from Other State Agency) – 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 includes estimated state-paid fringe benefits costs and appropriation transfers from other state agencies received by institutions such as Hazlewood and Texas Child Mental Health Care Consortium support. This category explicitly excludes state appropriations used for capital or debt financing.

FEDERAL/STATE/LOCAL NONEXCHANGE SPONSORED PROGRAMS – Funding received from the federal government, state government or local sources for which no exchange of goods or services is perceived to have occurred that would lower current or future fees. This no longer includes federal Pell Grants and other miscellaneous federal awards of financial aid which are now reported under operating revenue beginning in FY 2026. This would include Texas Research Incentive Program awards from the state of Texas.

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

AUF TRANSFERS FOR OPERATIONS (U.T System and U.T. Austin) – This includes Available University Fund (AUF) transfers to U.T. System Administration and U.T. Austin that are used to finance operational expenses included in this budget.

NON-MANDATORY TRANSFERS IN FOR OPERATIONS AND NON-MANDATORY (TRANSFERS OUT) FOR OPERATIONS - This category was added in FY 2026 with GASB 103 recognizing the need to separate non-mandatory transfers based on purpose. Transfers intended to fund operational expenses should be include in a budget margin calculation to offset the operating expenses included. Transfers intended for nonoperating purposes would not be included.

Other Nonoperating

STATE APPROPRIATIONS (CCAP) – Appropriations from the State of Texas General Revenue Fund, 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.

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.

DEBT SERVICE (TRANSFERS OUT) – 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.

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

THE UNIVERSITY OF TEXAS SYSTEM

INSTITUTION BUDGET HIGHLIGHTS

AND BUDGET SUMMARIES

The University of Texas System
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 3,410,417,030	3,272,652,958	3,423,726,183	151,073,225	4.6%
Less Discounts and Allowances	(1,420,360,880)	(1,183,841,326)	(1,513,418,681)	(329,577,355)	27.8%
Federal Sponsored Programs	3,449,941,202	3,178,735,713	3,780,943,255	602,207,542	18.9%
State Sponsored Programs	581,028,905	525,542,322	548,640,953	23,098,631	4.4%
Local and Private Sponsored Programs	3,124,666,967	3,013,952,097	3,318,631,486	304,679,389	10.1%
Net Sales and Services of Educational Activities	702,781,182	650,710,472	683,991,198	33,280,726	5.1%
Net Sales and Services of Hospital and Clinics	13,877,401,015	13,385,031,463	15,178,874,530	1,793,843,067	13.4%
Net Professional Fees	3,033,142,240	3,062,585,240	3,249,430,452	186,845,212	6.1%
Net Auxiliary Enterprises	937,484,414	931,863,910	1,022,831,520	90,967,610	9.8%
Other Operating Revenues	942,262,038	744,753,943	1,076,958,187	332,204,244	44.6%
Total Operating Revenues	28,638,764,113	27,581,986,792	30,770,609,083	3,188,622,291	11.6%
Operating Expenses:					
Compensation - Faculty	5,640,533,490	5,517,801,537	5,927,278,597	409,477,060	7.4%
Compensation - Non-Faculty	9,199,731,071	8,909,094,836	9,526,632,233	617,537,397	6.9%
Wages	1,024,577,203	894,402,058	1,137,951,694	243,549,636	27.2%
Benefits	4,427,169,274	4,195,186,777	4,866,983,087	671,796,310	16.0%
Personnel Costs	20,292,011,038	19,516,485,208	21,458,845,611	1,942,360,403	10.0%
Utilities	357,441,567	369,855,602	376,785,010	6,929,408	1.9%
Scholarships and Fellowships	1,877,990,278	1,779,776,829	1,985,895,029	206,118,200	11.6%
Less Discounts and Allowances	(1,432,024,941)	(1,194,906,908)	(1,525,392,355)	(330,485,447)	27.7%
Operations, Maintenance and Travel	12,279,336,836	12,157,669,965	13,816,364,906	1,658,694,941	13.6%
Less Capitalized Portion and Cap Lease/SBITA	(1,780,324,658)	(2,000,255,640)	(2,344,201,530)	(343,945,890)	17.2%
Depreciation and Amortization	2,093,691,899	2,056,396,618	2,220,065,018	163,668,400	8.0%
Total Operating Expenses	33,688,122,019	32,685,021,674	35,988,361,689	3,303,340,015	10.1%
Operating Surplus (Deficit)	(5,049,357,906)	(5,103,034,882)	(5,217,752,606)	(114,717,724)	2.2%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	3,154,635,177	3,127,995,400	3,147,192,313	19,196,913	0.6%
Federal/State/Local Nonexchange Sponsored Programs	166,345,349	96,543,688	48,869,049	(47,674,639)	-49.4%
Gifts in Support of Operations	810,233,159	739,670,895	755,741,073	16,070,178	2.2%
AUF Transfers for Operations (U.T. System and U.T. Austin)	(35,000,000)	(35,000,000)	–	35,000,000	-100.0%
Non-Mandatory Transfers In for Operations	–	62,652,231	25,469,228	(37,183,003)	-59.3%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	4,343,438,517	3,991,862,214	3,977,271,663	(14,590,551)	-0.4%
Operating Surplus (Deficit) and Noncapital Subsidies	(705,919,389)	(1,111,172,668)	(1,240,480,943)	(129,308,275)	11.6%
Other Nonoperating:					
State Appropriations (CCAP)	247,224,832	247,878,892	247,878,892	–	0.0%
Net Investment Income	3,333,186,575	3,287,866,269	3,610,025,812	322,159,543	9.8%
Debt Service (Transfers Out) - Interest	(619,877,531)	(631,079,820)	(627,732,723)	3,347,097	-0.5%
Other Nonoperating Revenues	–	712,970	–	(712,970)	-100.0%
Total Other Nonoperating	2,713,309,044	2,905,378,311	3,230,171,981	324,793,670	11.2%
Budget Margin Surplus (Deficit)	$ 2,007,389,655	1,794,205,643	1,989,691,038	195,485,395	10.9%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 36,315,389,205	35,110,307,137	38,605,785,450	3,495,478,313	10.0%
Total Expenses and Transfers Out (Excluding Principal/Other)	(34,307,999,550)	(33,316,101,494)	(36,616,094,412)	(3,299,992,918)	9.9%
Budget Margin Surplus (Deficit)	$ 2,007,389,655	1,794,205,643	1,989,691,038	195,485,395	
Reconciliation to Use of Prior Year Balances					
Depreciation		2,056,396,618	2,220,065,018		
Capital Outlay		(1,777,000,344)	(2,139,156,061)		
Debt Service (Transfers Out) - Principal		(1,007,954,652)	(1,076,548,299)		
Other Budget Transfers Within the Institution		(55,016,423)	(97,866,939)		
Net Additions to (Uses of) Prior Year Balances		1,010,630,842	896,184,757		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 6,059,501,513	6,580,301,228	6,912,696,925	332,395,697	5.1%
Academic Support	1,779,511,407	1,686,004,151	1,873,998,976	187,994,825	11.2%
Research	4,220,879,667	4,016,695,839	4,363,591,916	346,896,077	8.6%
Public Service	644,155,821	579,028,808	677,803,742	98,774,934	17.1%
Hospitals and Clinics	13,740,968,716	13,280,443,180	15,192,361,633	1,911,918,453	14.4%
Institutional Support	1,898,494,912	1,492,491,109	1,683,219,812	190,728,703	12.8%
Student Services	352,224,973	371,461,233	382,190,610	10,729,377	2.9%
Operations and Maintenance of Plant	1,164,165,781	1,048,537,144	1,087,805,615	39,268,471	3.7%
Scholarships and Fellowships	797,294,345	566,190,504	470,540,668	(95,649,836)	-16.9%
Auxiliary Enterprises	981,975,220	1,007,471,860	1,124,086,774	116,614,914	11.6%
Depreciation and Amortization	2,048,949,664	2,056,396,618	2,220,065,018	163,668,400	8.0%
Total Operating Expenses	$ 33,688,122,019	32,685,021,674	35,988,361,689	3,303,340,015	10.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 11,244,586,566	12,200,069,770	955,483,204	8.5%
Designated	15,315,838,345	17,039,266,137	1,723,427,792	11.3%
Auxiliary	1,166,710,301	1,308,435,466	141,725,165	12.1%
Available University Fund	940,967,000	1,138,675,000	197,708,000	21.0%
Restricted	4,663,172,304	5,250,717,980	587,545,676	12.6%
Unexpended Plant	1,455,881,864	1,672,209,194	216,327,330	14.9%
Subtotal - Expenditures (All Funds)	35,241,148,770	39,137,126,109	3,895,977,339	11.1%
Reconciling Adjustments:				
Tuition Discounting	(1,194,906,908)	(1,525,392,355)	(330,485,447)	27.7%
Depreciation	2,056,396,618	2,220,065,018	163,668,400	8.0%
Capital Outlay	(1,777,000,344)	(2,139,156,061)	(362,155,717)	20.4%
Debt Service (Transfers Out) - Principal	(1,007,954,652)	(1,076,548,299)	(68,593,647)	6.8%
Total Expenses (Including Transfers for Interest)	$ 33,317,683,484	36,616,094,412	3,298,410,928	9.9%

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

The University of Texas Academic Institutions
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 3,143,083,291	3,012,392,060	3,144,728,754	132,336,694	4.4%
Less Discounts and Allowances	(1,378,695,822)	(1,158,688,016)	(1,479,978,840)	(321,290,824)	27.7%
Federal Sponsored Programs	1,975,587,619	1,721,304,914	2,241,846,113	520,541,199	30.2%
State Sponsored Programs	383,456,352	332,997,106	361,811,688	28,814,582	8.7%
Local and Private Sponsored Programs	398,411,541	355,923,218	420,403,052	64,479,834	18.1%
Net Sales and Services of Educational Activities	551,565,378	510,042,762	556,302,948	46,260,186	9.1%
Net Sales and Services of Hospital and Clinics	6,683,886	5,487,000	6,237,406	750,406	13.7%
Net Professional Fees	44,685,048	50,863,421	51,989,990	1,126,569	2.2%
Net Auxiliary Enterprises	796,145,134	781,022,540	872,690,415	91,667,875	11.7%
Other Operating Revenues	106,753,708	80,991,004	118,169,666	37,178,662	45.9%
Total Operating Revenues	6,027,676,135	5,692,336,009	6,294,201,192	601,865,183	10.6%
Operating Expenses:					
Compensation - Faculty	1,529,087,331	1,467,043,618	1,542,322,837	75,279,219	5.1%
Compensation - Non-Faculty	2,459,179,778	2,376,353,450	2,491,381,134	115,027,684	4.8%
Wages	238,234,841	217,607,051	279,527,951	61,920,900	28.5%
Benefits	1,239,770,949	1,196,566,444	1,313,383,188	116,816,744	9.8%
Personnel Costs	5,466,272,899	5,257,570,563	5,626,615,110	369,044,547	7.0%
Utilities	178,727,512	184,088,346	184,563,819	475,473	0.3%
Scholarships and Fellowships	1,817,233,783	1,713,657,824	1,897,764,129	184,106,305	10.7%
Less Discounts and Allowances	(1,390,359,883)	(1,169,753,598)	(1,491,952,514)	(322,198,916)	27.5%
Operations, Maintenance and Travel	2,497,965,334	2,537,427,733	2,901,129,817	363,702,084	14.3%
Less Capitalized Portion and Cap Lease/SBITA	(71,184,195)	(325,160,027)	(431,050,889)	(105,890,862)	32.6%
Depreciation and Amortization	859,589,999	846,053,103	916,570,257	70,517,154	8.3%
Total Operating Expenses	9,358,245,449	9,043,883,944	9,603,639,729	559,755,785	6.2%
Operating Surplus (Deficit)	(3,330,569,314)	(3,351,547,935)	(3,309,438,537)	42,109,398	-1.3%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	1,585,405,609	1,558,209,751	1,558,399,540	189,789	0.0%
Federal/State/Local Nonexchange Sponsored Programs	145,158,475	66,868,179	37,586,838	(29,281,341)	-43.8%
Gifts in Support of Operations	492,736,708	463,164,888	474,600,873	11,435,985	2.5%
AUF Transfers for Operations (U.T. System and U.T. Austin)	535,967,000	535,967,000	640,675,000	104,708,000	19.5%
Non-Mandatory Transfers In for Operations	–	56,214,599	18,567,895	(37,646,704)	-67.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	2,759,267,792	2,680,424,417	2,729,830,146	49,405,729	1.8%
Operating Surplus (Deficit) and Noncapital Subsidies	(571,301,522)	(671,123,518)	(579,608,391)	91,515,127	-13.6%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	743,958,702	659,198,065	718,836,537	59,638,472	9.0%
Debt Service (Transfers Out) - Interest	(162,282,497)	(168,034,510)	(176,216,240)	(8,181,730)	4.9%
Other Nonoperating Revenues	–	712,970	–	(712,970)	-100.0%
Total Other Nonoperating	581,676,205	491,876,525	542,620,297	50,743,772	10.3%
Budget Margin Surplus (Deficit)	$ 10,374,683	(179,246,993)	(36,988,094)	142,258,899	-79.4%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 9,530,902,629	9,032,671,461	9,742,867,875	710,196,414	7.9%
Total Expenses and Transfers Out (Excluding Principal/Other)	(9,520,527,946)	(9,211,918,454)	(9,779,855,969)	(567,937,515)	6.2%
Budget Margin Surplus (Deficit)	$ 10,374,683	(179,246,993)	(36,988,094)	142,258,899	
Reconciliation to Use of Prior Year Balances					
Depreciation		846,053,103	916,570,257		
Capital Outlay		(289,185,161)	(395,604,494)		
Debt Service (Transfers Out) - Principal		(179,832,590)	(185,379,749)		
Other Budget Transfers Within the Institution		(50,053,327)	(88,413,025)		
Net Additions to (Uses of) Prior Year Balances		147,735,032	210,184,895		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 1,923,637,434	2,391,732,658	2,430,065,229	38,332,571	1.6%
Academic Support	1,148,681,804	1,063,948,888	1,187,390,110	123,441,222	11.6%
Research	1,456,692,949	1,418,175,616	1,560,949,977	142,774,361	10.1%
Public Service	335,199,832	260,454,718	334,194,254	73,739,536	28.3%
Hospitals and Clinics	246,810,219	241,363,942	286,731,628	45,367,686	18.8%
Institutional Support	960,687,274	631,451,419	691,960,943	60,509,524	9.6%
Student Services	315,328,841	330,515,868	341,536,402	11,020,534	3.3%
Operations and Maintenance of Plant	563,345,933	454,039,354	467,504,815	13,465,461	3.0%
Scholarships and Fellowships	743,008,305	526,246,093	413,490,732	(112,755,361)	-21.4%
Auxiliary Enterprises	839,260,046	879,902,285	973,245,382	93,343,097	10.6%
Depreciation and Amortization	825,592,812	846,053,103	916,570,257	70,517,154	8.3%
Total Operating Expenses	$ 9,358,245,449	9,043,883,944	9,603,639,729	559,755,785	6.2%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 2,326,345,879	2,318,886,504	(7,459,375)	-0.3%
Designated	3,739,140,413	3,976,284,244	237,143,831	6.3%
Auxiliary	1,009,819,086	1,125,955,630	116,136,544	11.5%
Available University Fund	535,967,000	640,675,000	104,708,000	19.5%
Restricted	2,367,484,824	2,868,061,091	500,576,267	21.1%
Unexpended Plant	25,879,497	6,360,000	(19,519,497)	-75.4%
Subtotal - Expenditures (All Funds)	10,004,636,699	10,936,222,469	931,585,770	9.3%
Reconciling Adjustments:				
Tuition Discounting	(1,169,753,598)	(1,491,952,514)	(322,198,916)	27.5%
Depreciation	846,053,103	916,570,257	70,517,154	8.3%
Capital Outlay	(289,185,161)	(395,604,494)	(106,419,333)	36.8%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(179,832,590)	(185,379,749)	(5,547,159)	3.1%
Total Expenses (Including Transfers for Interest)	$ 9,211,918,453	9,779,855,969	567,937,516	6.2%

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

The University of Texas Health-Related Institutions
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 267,333,739	260,260,898	278,997,429	18,736,531	7.2%
Less Discounts and Allowances	(41,665,058)	(25,153,310)	(33,439,841)	(8,286,531)	32.9%
Federal Sponsored Programs	1,414,657,760	1,397,730,799	1,433,897,142	36,166,343	2.6%
State Sponsored Programs	185,875,357	180,848,020	186,829,265	5,981,245	3.3%
Local and Private Sponsored Programs	2,724,965,926	2,657,629,879	2,897,628,434	239,998,555	9.0%
Net Sales and Services of Educational Activities	143,280,005	132,731,911	119,264,428	(13,467,483)	-10.1%
Net Sales and Services of Hospital and Clinics	13,870,717,129	13,379,544,463	15,172,637,124	1,793,092,661	13.4%
Net Professional Fees	2,988,457,192	3,011,721,819	3,197,440,462	185,718,643	6.2%
Net Auxiliary Enterprises	141,339,280	150,841,370	150,141,105	(700,265)	-0.5%
Other Operating Revenues	832,647,903	661,716,939	944,382,087	282,665,148	42.7%
Total Operating Revenues	22,527,609,233	21,807,872,788	24,347,777,635	2,539,904,847	11.6%
Operating Expenses:					
Compensation - Faculty	4,111,446,159	4,050,757,919	4,384,955,760	334,197,841	8.3%
Compensation - Non-Faculty	6,695,194,321	6,483,156,657	6,979,435,817	496,279,160	7.7%
Wages	784,627,454	675,116,485	856,692,649	181,576,164	26.9%
Benefits	3,173,128,464	2,982,726,133	3,536,766,151	554,040,018	18.6%
Personnel Costs	14,764,396,398	14,191,757,194	15,757,850,377	1,566,093,183	11.0%
Utilities	178,714,055	185,767,256	192,221,191	6,453,935	3.5%
Scholarships and Fellowships	60,270,295	63,798,830	69,628,270	5,829,440	9.1%
Less Discounts and Allowances	(41,665,058)	(25,153,310)	(33,439,841)	(8,286,531)	32.9%
Operations, Maintenance and Travel	9,503,015,037	9,401,676,229	10,569,503,215	1,167,826,986	12.4%
Less Capitalized Portion and Cap Lease/SBITA	(1,697,319,349)	(1,663,274,499)	(1,899,103,305)	(235,828,806)	14.2%
Depreciation and Amortization	1,211,168,730	1,187,410,345	1,280,179,807	92,769,462	7.8%
Total Operating Expenses	23,978,580,108	23,341,982,045	25,936,839,714	2,594,857,669	11.1%
Operating Surplus (Deficit)	(1,450,970,875)	(1,534,109,257)	(1,589,062,079)	(54,952,822)	3.6%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	1,547,534,985	1,553,440,294	1,569,337,814	15,897,520	1.0%
Federal/State/Local Nonexchange Sponsored Programs	21,182,697	14,513,760	11,282,211	(3,231,549)	-22.3%
Gifts in Support of Operations	316,957,201	276,056,007	280,690,200	4,634,193	1.7%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	6,437,632	6,901,333	463,701	7.2%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	1,885,674,883	1,850,447,693	1,868,211,558	17,763,865	1.0%
Operating Surplus (Deficit) and Noncapital Subsidies	434,704,008	316,338,436	279,149,479	(37,188,957)	-11.8%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	1,075,068,828	999,794,746	1,062,335,131	62,540,385	6.3%
Debt Service (Transfers Out) - Interest	(197,625,706)	(199,943,042)	(210,845,423)	(10,902,381)	5.5%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	877,443,122	799,851,704	851,489,708	51,638,004	6.5%
Budget Margin Surplus (Deficit)	$ 1,312,147,130	1,116,190,140	1,130,639,187	14,449,047	1.3%

Total Revenues (Excluding State Appropriations CCAP)	$ 25,488,352,944	24,658,115,227	27,278,324,324	2,620,209,097	10.6%
Total Expenses and Transfers Out (Excluding Principal/Other)	(24,176,205,814)	(23,541,925,087)	(26,147,685,137)	(2,605,760,050)	11.1%
Budget Margin Surplus (Deficit)	$ 1,312,147,130	1,116,190,140	1,130,639,187	14,449,047	
Reconciliation to Use of Prior Year Balances					
Depreciation		1,187,410,345	1,280,179,807		
Capital Outlay		(1,486,815,183)	(1,742,551,567)		
Debt Service (Transfers Out) - Principal		(424,674,324)	(371,713,382)		
Other Budget Transfers Within the Institution		(1,780,003)	(9,549,423)		
Net Additions to (Uses of) Prior Year Balances		390,330,975	287,004,622		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 4,135,864,079	4,188,568,570	4,482,631,696	294,063,126	7.0%
Academic Support	609,103,025	597,226,432	664,555,647	67,329,215	11.3%
Research	2,744,186,718	2,598,520,223	2,777,152,539	178,632,316	6.9%
Public Service	291,477,512	301,274,841	325,854,227	24,579,386	8.2%
Hospitals and Clinics	13,494,158,497	13,039,079,238	14,905,630,005	1,866,550,767	14.3%
Institutional Support	664,431,168	629,265,430	650,492,087	21,226,657	3.4%
Student Services	36,896,132	40,945,365	40,654,208	(291,157)	-0.7%
Operations and Maintenance of Plant	600,819,848	594,497,790	620,300,800	25,803,010	4.3%
Scholarships and Fellowships	35,571,103	37,624,236	38,547,306	923,070	2.5%
Auxiliary Enterprises	142,715,174	127,569,575	150,841,392	23,271,817	18.2%
Depreciation and Amortization	1,223,356,852	1,187,410,345	1,280,179,807	92,769,462	7.8%
Total Operating Expenses	$ 23,978,580,108	23,341,982,045	25,936,839,714	2,594,857,669	11.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 8,918,240,687	9,881,183,266	962,942,579	10.8%
Designated	11,553,919,529	13,011,979,052	1,458,059,523	12.6%
Auxiliary	156,891,215	182,479,836	25,588,621	16.3%
Available University Fund	–	–	–	0.0%
Restricted	2,232,103,761	2,273,718,772	41,615,011	1.9%
Unexpended Plant	1,430,002,367	1,665,849,194	235,846,827	16.5%
Subtotal - Expenditures (All Funds)	24,291,157,559	27,015,210,120	2,724,052,561	11.2%
Reconciling Adjustments:				
Tuition Discounting	(25,153,310)	(33,439,841)	(8,286,531)	32.9%
Depreciation	1,187,410,345	1,280,179,807	92,769,462	7.8%
Capital Outlay	(1,486,815,183)	(1,742,551,567)	(255,736,384)	17.2%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(424,674,324)	(371,713,382)	52,960,942	-12.5%
Total Expenses (Including Transfers for Interest)	$ 23,541,925,087	26,147,685,137	2,605,760,050	11.1%

Note: Operating Budget Highlights with 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, 2027

Introduction - Major Goals Addressed by FY 2027 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.

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.

State funding continues to be an important aspect of the U.T. System Administration budget, supporting both the U.T. Research, Engineering, and Application Laboratory for Healthcare AI and the Trauma Research and Combat Casualty Care Collaboration. These programs provide systemwide benefits by advancing research initiatives and leveraging external funding opportunities, thereby enhancing the overall research capacity and impact of the U.T. institutions.

Revenue

The FY 2027 $1.6 billion revenue budget includes an increase of $0.2 billion, or 11.6%, in total revenues and transfers over the FY 2026 budget. Federal sponsored program revenue increased by $45.5 million, or 76.2%, due to the Employee Group Waiver Program (EGWP) for Medicare Part D retiree prescription coverage. Net investment income is projected to increase by $200.0 million, or 12.3%, leading to higher AUF distributions that further support the U.T. System's commitment to maximizing returns on institutional investments.

Expenses

The FY 2027 $688.6 million expense budget includes an increase of $126.3 million, or 22.5%, in total expenses and transfers over the FY 2026 budget. Compensation increased by $6.3 million, and employee benefits are projected to rise by $0.9 million, resulting in a total personnel cost increase of 10.8%. The proposed budget includes adjustments for merit, market, and equity, with limited new positions.

The primary growth overall in U.T. System Administration operating expenses includes $45.3 million in federal sponsored programs related to the Federal EGWP for Medicare Part D retiree prescription coverage and $25.0 million increase in direct campus support for academic programming, technology, insurance, and other shared services. Through direct campus support U.T. System Administration provides significant benefits to the U.T. System institutions while fulfilling it's mission of oversight and coordination. These are partially offset by a $22.4 million reduction in interest expense due to debt retirement and restructuring.

The University of Texas System Administration
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ –	–	–	–	0.0%
Less Discounts and Allowances	–	–	–	–	0.0%
Federal Sponsored Programs	59,695,823	59,700,000	105,200,000	45,500,000	76.2%
State Sponsored Programs	11,697,196	11,697,196	–	(11,697,196)	-100.0%
Local and Private Sponsored Programs	1,289,500	399,000	600,000	201,000	50.4%
Net Sales and Services of Educational Activities	7,935,799	7,935,799	8,423,822	488,023	6.1%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	–	–	–	–	0.0%
Other Operating Revenues	2,860,427	2,046,000	14,406,434	12,360,434	604.1%
Total Operating Revenues	83,478,745	81,777,995	128,630,256	46,852,261	57.3%
Operating Expenses:					
Compensation - Faculty	–	–	–	–	0.0%
Compensation - Non-Faculty	45,356,972	49,584,729	55,815,282	6,230,553	12.6%
Wages	1,714,908	1,678,522	1,731,094	52,572	3.1%
Benefits	14,269,861	15,894,200	16,833,748	939,548	5.9%
Personnel Costs	61,341,741	67,157,451	74,380,124	7,222,673	10.8%
Utilities	–	–	–	–	0.0%
Scholarships and Fellowships	486,200	2,320,175	18,502,630	16,182,455	697.5%
Less Discounts and Allowances	–	–	–	–	0.0%
Operations, Maintenance and Travel	278,356,465	218,566,003	345,731,874	127,165,871	58.2%
Less Capitalized Portion and Cap Lease/SBITA	(11,821,114)	(11,821,114)	(14,047,336)	(2,226,222)	18.8%
Depreciation and Amortization	22,933,170	22,933,170	23,314,954	381,784	1.7%
Total Operating Expenses	351,296,462	299,155,685	447,882,246	148,726,561	49.7%
Operating Surplus (Deficit)	(267,817,717)	(217,377,690)	(319,251,990)	(101,874,300)	46.9%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	21,040,523	16,345,355	19,454,959	3,109,604	19.0%
Federal/State/Local Nonexchange Sponsored Programs	4,177	15,161,749	–	(15,161,749)	-100.0%
Gifts in Support of Operations	539,250	450,000	450,000	–	0.0%
AUF Transfers for Operations (U.T. System and U.T. Austin)	(570,967,000)	(570,967,000)	(640,675,000)	(69,708,000)	12.2%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	(549,383,050)	(539,009,896)	(620,770,041)	(81,760,145)	15.2%
Operating Surplus (Deficit) and Noncapital Subsidies	(817,200,767)	(756,387,586)	(940,022,031)	(183,634,445)	24.3%
Other Nonoperating:					
State Appropriations (CCAP)	247,878,892	247,878,892	247,878,892	–	0.0%
Net Investment Income	1,514,159,045	1,628,873,458	1,828,854,144	199,980,686	12.3%
Debt Service (Transfers Out) - Interest	(259,969,328)	(263,102,268)	(240,671,060)	22,431,208	-8.5%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	1,502,068,609	1,613,650,082	1,836,061,976	222,411,894	13.8%
Budget Margin Surplus (Deficit)	$ 684,867,842	857,262,496	896,039,945	38,777,449	4.5%

Total Revenues (Excluding State Appropriations CCAP)	$ 1,296,133,632	1,419,520,449	1,584,593,251	165,072,802	11.6%
Total Expenses and Transfers Out (Excluding Principal/Other)	(611,265,790)	(562,257,953)	(688,553,306)	(126,295,353)	22.5%
Budget Margin Surplus (Deficit)	$ 684,867,842	857,262,496	896,039,945	38,777,449	
Reconciliation to Use of Prior Year Balances					
Depreciation		22,933,170	23,314,954		
Capital Outlay		(1,000,000)	(1,000,000)		
Debt Service (Transfers Out) - Principal		(403,447,738)	(519,455,168)		
Other Budget Transfers Within the Institution		(3,183,093)	95,509		
Net Additions to (Uses of) Prior Year Balances		472,564,835	398,995,240		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ –	–	–	–	0.0%
Academic Support	21,726,578	24,828,831	22,053,219	(2,775,612)	-11.2%
Research	20,000,000	–	25,489,400	25,489,400	100.0%
Public Service	17,478,477	17,299,249	17,755,261	456,012	2.6%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	273,376,470	231,774,260	340,766,782	108,992,522	47.0%
Student Services	–	–	–	–	0.0%
Operations and Maintenance of Plant	–	–	–	–	0.0%
Scholarships and Fellowships	18,714,937	2,320,175	18,502,630	16,182,455	697.5%
Auxiliary Enterprises	–	–	–	–	0.0%
Depreciation and Amortization	–	22,933,170	23,314,954	381,784	1.7%
Total Operating Expenses	$ 351,296,462	299,155,685	447,882,246	148,726,561	49.7%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 206,113,498	527,752,562	321,639,064	156.0%
Designated	22,778,403	51,002,841	28,224,438	123.9%
Auxiliary	–	–	–	0.0%
Available University Fund	405,000,000	498,000,000	93,000,000	23.0%
Restricted	63,583,719	108,938,117	45,354,398	71.3%
Unexpended Plant	–	–	–	0.0%
Subtotal - Expenditures (All Funds)	945,354,512	1,185,693,520	488,217,900	51.6%
Reconciling Adjustments:				
Tuition Discounting	–	–	–	0.0%
Depreciation	22,933,170	23,314,954	381,784	1.7%
Capital Outlay	(1,000,000)	(1,000,000)	–	0.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(403,447,738)	(519,455,168)	(116,007,430)	28.8%
Total Expenses (Including Transfers for Interest)	$ 563,839,944	688,553,306	372,592,254	66.1%

Note: Operating Budget Highlights with a glossary of 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The University of Texas at Arlington continues to advance its mission of providing access to affordable, high-quality education while navigating a higher education landscape characterized by enrollment volatility, shifting student demographics, evolving student and workforce expectations, and ongoing inflationary pressures. The FY 2027 operating budget reflects U.T. Arlington's commitment to balancing near-term financial sustainability with strategic investments that support student success, research excellence, and long-term institutional competitiveness.

The FY 2027 budget aligns resources with institutional priorities through strategic reallocation, operational efficiencies, and targeted investments. Key priorities include strengthening enrollment and retention outcomes, maintaining affordability through expanded student financial support, advancing research and innovation initiatives, and supporting compensation strategies that help attract and retain a talented workforce.

Revenue

The FY 2027 $914.0 million revenue budget includes an increase of $37.3 million, or 4.3%, in total revenues and transfers over the FY 2026 budget. Revenue growth is driven primarily by increases in federal sponsored programs, including additional Pell Grant activity and anticipated growth in externally funded research. Additional increases are reflected in state and institutional financial aid programs, including TEXAS Grants, as well as research enhancement programs, and continued strength in investment income.

These increases are partially offset by enrollment-related challenges and changes in student mix that continue to place pressure on tuition and fee revenues. In response, U.T. Arlington continues to focus on enrollment growth, student retention, and diversification of revenue streams through expanded research activity, philanthropic support, strategic partnerships, and other external funding opportunities.

Expenses

The FY 2027 $936.1 million expense budget includes an increase of $37.2 million, or 4.1%, in total expenses and transfers over the FY 2026 budget. Growth in expenditures is primarily driven by increased investments in scholarships and financial aid that support student access, affordability, and success, as well as expanded activity associated with sponsored research programs. Additional increases reflect compensation and employee benefit cost pressures, including efforts to maintain a competitive workforce, together with inflationary impacts on utilities, supplies, technology, and other operating expenses.

U.T. Arlington continues to implement a disciplined approach to financial management through strategic resource reallocation, resource optimization, and operational efficiency initiatives. Budget reductions and resource reallocations have been targeted to align expenditures with institutional priorities while minimizing impacts on students and preserving the University's teaching, research, and service mission. Through these efforts, the FY 2027 budget supports both immediate operational needs and the long-term financial sustainability of the institution.

The University of Texas at Arlington
Operating Budget
Fiscal Year Ending Aug 31, 2027

		FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:						
Tuition and Fees	$	498,443,738	498,443,738	498,710,000	266,262	0.1%
Less Discounts and Allowances		(96,228,157)	(174,455,308)	(189,561,400)	(15,106,092)	8.7%
Federal Sponsored Programs		191,009,819	159,781,849	199,891,099	40,109,250	25.1%
State Sponsored Programs		45,493,348	38,055,694	39,927,963	1,872,269	4.9%
Local and Private Sponsored Programs		18,320,138	15,325,000	15,325,000	–	0.0%
Net Sales and Services of Educational Activities		45,496,544	37,996,544	40,813,443	2,816,899	7.4%
Net Sales and Services of Hospital and Clinics		–	–	–	–	0.0%
Net Professional Fees		–	–	–	–	0.0%
Net Auxiliary Enterprises		62,130,514	55,030,514	57,425,000	2,394,486	4.4%
Other Operating Revenues		20,674,131	14,593,382	25,242,888	10,649,506	73.0%
Total Operating Revenues		785,340,075	644,771,413	687,773,993	43,002,580	6.7%
Operating Expenses:						
Compensation - Faculty		174,910,243	164,515,931	165,762,321	1,246,390	0.8%
Compensation - Non-Faculty		200,772,494	200,772,494	147,209,381	(53,563,113)	-26.7%
Wages		44,035,040	41,418,190	92,569,434	51,151,244	123.5%
Benefits		142,180,390	131,191,552	137,237,760	6,046,208	4.6%
Personnel Costs		561,898,167	537,898,167	542,778,896	4,880,729	0.9%
Utilities		11,122,577	11,122,577	11,087,671	(34,906)	-0.3%
Scholarships and Fellowships		196,284,922	196,284,922	233,920,903	37,635,981	19.2%
Less Discounts and Allowances		(96,228,157)	(174,455,308)	(189,561,400)	(15,106,092)	8.7%
Operations, Maintenance and Travel		210,534,263	287,838,581	295,350,635	7,512,054	2.6%
Less Capitalized Portion and Cap Lease/SBITA		–	(30,490,904)	(29,288,999)	1,201,905	-3.9%
Depreciation and Amortization		58,406,562	58,406,562	58,990,628	584,066	1.0%
Total Operating Expenses		942,018,334	886,604,597	923,278,334	36,673,737	4.1%
Operating Surplus (Deficit)		(156,678,259)	(241,833,184)	(235,504,341)	6,328,843	-2.6%
Noncapital Subsidies:						
State Appropriations (Including from Other State Agency)		182,414,320	179,043,721	179,286,805	243,084	0.1%
Federal/State/Local Nonexchange Sponsored Programs		8,191,617	12,933,128	–	(12,933,128)	-100.0%
Gifts in Support of Operations		4,392,404	4,392,404	3,275,487	(1,116,917)	-25.4%
AUF Transfers for Operations (U.T. System and U.T. Austin)		–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations		–	3,370,599	2,272,121	(1,098,478)	-32.6%
Non-Mandatory (Transfers Out) for Operations		–	–	–	–	0.0%
Total Noncapital Subsidies		194,998,341	199,739,852	184,834,413	(14,905,439)	-7.5%
Operating Surplus (Deficit) and Noncapital Subsidies		38,320,082	(42,093,332)	(50,669,928)	(8,576,596)	20.4%
Other Nonoperating:						
State Appropriations (CCAP)		–	–	–	–	0.0%
Net Investment Income		45,645,567	32,145,567	41,364,567	9,219,000	28.7%
Debt Service (Transfers Out) - Interest		(12,301,285)	(12,301,285)	(12,824,676)	(523,391)	4.3%
Other Nonoperating Revenues			–	–	–	—%
Total Other Nonoperating		33,344,282	19,844,282	28,539,891	8,695,609	43.8%
Budget Margin Surplus (Deficit)	$	71,664,364	(22,249,050)	(22,130,037)	119,013	-0.5%

		FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$	1,025,983,983	876,656,832	913,972,973	37,316,141	4.3%
Total Expenses and Transfers Out (Excluding Principal/Other)		(954,319,619)	(898,905,882)	(936,103,010)	(37,197,128)	4.1%
Budget Margin Surplus (Deficit)	$	71,664,364	(22,249,050)	(22,130,037)	119,013	
Reconciliation to Use of Prior Year Balances						
Depreciation			58,406,562	58,990,628		
Capital Outlay			(30,269,301)	(29,058,532)		
Debt Service (Transfers Out) - Principal			(9,732,843)	(11,599,677)		
Other Budget Transfers Within the Institution			–	–		
Net Additions to (Uses of) Prior Year Balances			(3,844,632)	(3,797,618)		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 228,283,480	239,842,631	240,197,020	354,389	0.1%
Academic Support	85,272,334	85,021,019	89,722,482	4,701,463	5.5%
Research	156,518,257	157,527,095	164,686,551	7,159,456	4.5%
Public Service	17,307,786	18,735,149	18,211,036	(524,113)	-2.8%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	102,855,837	108,114,502	108,223,624	109,122	0.1%
Student Services	89,401,444	90,003,984	94,067,080	4,063,096	4.5%
Operations and Maintenance of Plant	34,136,278	39,609,782	35,917,765	(3,692,017)	-9.3%
Scholarships and Fellowships	100,056,765	14,428,695	39,840,936	25,412,241	176.1%
Auxiliary Enterprises	69,779,591	74,915,178	73,421,212	(1,493,966)	-2.0%
Depreciation and Amortization	58,406,562	58,406,562	58,990,628	584,066	1.0%
Total Operating Expenses	$ 942,018,334	886,604,597	923,278,334	36,673,737	4.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending Aug 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 291,690,715	287,940,583	(3,750,132)	(1.3)%
Designated	483,585,806	499,778,136	16,192,330	3.3 %
Auxiliary	101,121,801	101,336,335	214,534	0.2 %
Available University Fund	–	–	–	0.0 %
Restricted	176,710,029	217,716,937	41,006,908	23.2 %
Unexpended Plant	1,848,421	560,000	(1,288,421)	(69.7)%
Subtotal - Expenditures (All Funds)	1,054,956,772	1,107,331,991	52,375,219	5.0 %
Reconciling Adjustments:				
Tuition Discounting	(174,455,308)	(189,561,400)	(15,106,092)	8.7 %
Depreciation	58,406,562	58,990,628	584,066	1.0 %
Capital Outlay	(30,269,301)	(29,058,532)	1,210,769	(4.0)%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(9,732,843)	(11,599,677)	(1,866,834)	19.2 %
Total Expenses (Including Transfers for Interest)	$ 898,905,882	936,103,010	37,197,128	4.1 %

Note: Operating Budget Highlights with a glossary of 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The FY 2027 budget builds on The University of Texas at Austin's continued momentum in advancing its mission of education, discovery, health, and public service while reinforcing its commitment to responsible financial stewardship and long-term sustainability. The budget reflects strategic investments that strengthen U.T. Austin's role as Texas' flagship university and enhances its contributions to the state's economic prosperity, workforce development, and global competitiveness.

Key investments support academic excellence, student success, groundbreaking research, transformational capital projects, and the continued development of a world-class academic medical enterprise. Consistent with U.T. Austin's commitment to providing an exceptional educational experience, the FY 2027 budget includes resources that enhance the student experience from first-time-in-college enrollment through graduate and professional education. Continued investment in student housing, dining, advising, and other student-centered services will promote achievement, engagement, retention, and degree completion.

Academic excellence remains a core priority, with targeted investments that expand interdisciplinary teaching and research opportunities in high-impact fields critical to Texas' future, including computing, materials science, artificial intelligence, semiconductors, and the health sciences.

U.T. Austin continues to strengthen its position as a global leader in research and innovation through strategic support for transformative initiatives such as the Texas Institute for Electronics, the Texas Advanced Computing Center, and the UT Dell Campus for Advanced Computing. These investments foster cross-disciplinary collaboration, accelerate scientific discovery, and expand the University's research capacity and impact.

The FY 2027 budget also supports significant capital investments that will shape the future of the Forty Acres. Major projects include continued development of the academic medical center complex, modernization of academic and research facilities, and expansion of student residential communities. In partnership with the U.T. System, U.T. Austin is making meaningful progress in addressing deferred maintenance needs across campus, preserving iconic facilities such as the Main Tower while ensuring that campus infrastructure continues to support excellence for generations to come.

U.T. Austin is further advancing its investment in the future of health care, medical education, and life sciences innovation through the continued growth of Dell Medical School and its academic health programs. These efforts strengthen U.T. Austin's leadership in improving health outcomes, expanding access to care, training the next generation of health professionals, and driving biomedical discovery and innovation across Texas.

Revenue

The FY 2027 $5.1 billion revenue budget includes an increase of $0.5 billion, or 11.8%, in total revenues and transfers over the FY 2026 budget. Total operating revenue for FY 2027 is projected to increase by 16.4% over the current year projection, driven primarily by a $496.6 million increase in sponsored project funding, representing growth of 14.9%. Additional revenue increases are projected in Net Sales and Services of Educational Activities ($45.3 million) and Auxiliary Enterprises ($64.3 million). These gains are partially offset by a significant increase in tuition discounting resulting from the implementation of a revised methodology that was not reflected in the FY 2026 budget. Non-capital subsidies are projected to increase $64.7 million in FY 2027, largely due to a $95.7 million increase in Available University Fund allocations. This increase is partially offset by a reduction in state appropriations resulting from the front-loading of certain non-formula support items within the current biennium.

Expenses

The FY 2027 $4.9 billion expense budget includes an increase of $0.4 billion, or 8.2%, in total expenses and transfers over the FY 2026 budget. Budgeted expenses for FY 2027 reflect an overall increase in personnel costs of 10.3%, driven by a 2.0% merit pool, a 13.0% increase in benefits costs, and continued growth in strategic areas such as the School of Civic Leadership, the Texas Institute for Electronics, and Dell Medical School. Operating, maintenance, and travel expenses are projected to increase by $332.9 million, reflecting continued investments in physical and information technology infrastructure as well as the impact of inflationary cost pressures.

The University of Texas at Austin
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 825,700,000	791,135,786	825,700,000	34,564,214	4.4%
Less Discounts and Allowances	(427,306,601)	(217,190,000)	(427,300,000)	(210,110,000)	96.7%
Federal Sponsored Programs	1,041,359,508	844,474,653	1,274,373,250	429,898,597	50.9%
State Sponsored Programs	122,588,307	80,801,116	93,908,471	13,107,355	16.2%
Local and Private Sponsored Programs	323,833,024	287,563,355	341,171,209	53,607,854	18.6%
Net Sales and Services of Educational Activities	405,100,000	378,152,272	423,451,545	45,299,273	12.0%
Net Sales and Services of Hospital and Clinics	6,683,886	5,487,000	6,237,406	750,406	13.7%
Net Professional Fees	21,108,161	18,172,190	19,967,725	1,795,535	9.9%
Net Auxiliary Enterprises	453,800,000	453,795,657	518,132,736	64,337,079	14.2%
Other Operating Revenues	8,846,313	8,088,297	9,227,514	1,139,217	14.1%
Total Operating Revenues	2,781,712,598	2,650,480,326	3,084,869,856	434,389,530	16.4%
Operating Expenses:					
Compensation - Faculty	628,800,000	595,615,768	653,517,197	57,901,429	9.7%
Compensation - Non-Faculty	1,399,500,000	1,325,686,421	1,454,686,028	128,999,607	9.7%
Wages	49,000,000	46,436,160	48,649,292	2,213,132	4.8%
Benefits	578,100,000	547,831,075	618,837,307	71,006,232	13.0%
Personnel Costs	2,655,400,000	2,515,569,424	2,775,689,824	260,120,400	10.3%
Utilities	96,376,673	98,681,005	94,836,139	(3,844,866)	-3.9%
Scholarships and Fellowships	503,662,032	495,211,170	530,778,722	35,567,552	7.2%
Less Discounts and Allowances	(427,306,601)	(217,190,000)	(427,300,000)	(210,110,000)	96.7%
Operations, Maintenance and Travel	1,450,746,605	1,333,887,688	1,675,734,411	341,846,723	25.6%
Less Capitalized Portion and Cap Lease/SBITA	–	(191,623,355)	(305,525,073)	(113,901,718)	59.4%
Depreciation and Amortization	418,264,168	388,650,455	446,071,016	57,420,561	14.8%
Total Operating Expenses	4,697,142,877	4,423,186,387	4,790,285,039	367,098,652	8.3%
Operating Surplus (Deficit)	(1,915,430,279)	(1,772,706,061)	(1,705,415,183)	67,290,878	-3.8%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	523,031,980	516,148,717	480,321,445	(35,827,272)	-6.9%
Federal/State/Local Nonexchange Sponsored Programs	109,300,000	35,000,000	35,000,000	–	0.0%
Gifts in Support of Operations	413,193,619	393,718,481	405,362,917	11,644,436	3.0%
AUF Transfers for Operations (U.T. System and U.T. Austin)	535,967,000	535,967,000	640,675,000	104,708,000	19.5%
Non-Mandatory Transfers In for Operations	–	6,883,263	–	(6,883,263)	-100.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	1,581,492,599	1,487,717,461	1,561,359,362	73,641,901	4.9%
Operating Surplus (Deficit) and Noncapital Subsidies	(333,937,680)	(284,988,600)	(144,055,821)	140,932,779	-49.5%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	473,756,473	430,413,506	462,513,331	32,099,825	7.5%
Debt Service (Transfers Out) - Interest	(80,256,643)	(80,360,837)	(82,830,091)	(2,469,254)	3.1%
Other Nonoperating Revenues		–	–	–	0.0%
Total Other Nonoperating	393,499,830	350,052,669	379,683,240	29,630,571	8.5%
Budget Margin Surplus (Deficit)	$ 59,562,150	65,064,069	235,627,419	170,563,350	262.1%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 4,836,961,670	4,568,611,293	5,108,742,549	540,131,256	11.8%
Total Expenses and Transfers Out (Excluding Principal/Other)	(4,777,399,520)	(4,503,547,224)	(4,873,115,130)	(369,567,906)	8.2%
Budget Margin Surplus (Deficit)	$ 59,562,150	65,064,069	235,627,419	170,563,350	
Reconciliation to Use of Prior Year Balances					
Depreciation		388,650,455	446,071,016		
Capital Outlay		(180,042,763)	(294,364,001)		
Debt Service (Transfers Out) - Principal		(74,825,358)	(78,731,417)		
Other Budget Transfers Within the Institution		(51,271,254)	(90,826,159)		
Net Additions to (Uses of) Prior Year Balances		147,575,149	217,776,858		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 714,285,084	1,159,976,382	1,174,438,599	14,462,217	1.2%
Academic Support	669,850,586	557,165,827	649,813,440	92,647,613	16.6%
Research	823,796,570	744,302,675	858,571,354	114,268,679	15.4%
Public Service	174,509,109	181,133,163	244,278,950	63,145,787	34.9%
Hospitals and Clinics	191,400,522	173,655,830	235,782,038	62,126,208	35.8%
Institutional Support	581,760,271	256,540,903	308,935,380	52,394,477	20.4%
Student Services	41,149,157	58,586,164	63,393,050	4,806,886	8.2%
Operations and Maintenance of Plant	269,035,267	157,735,011	168,909,701	11,174,690	7.1%
Scholarships and Fellowships	415,660,642	258,591,642	98,404,508	(160,187,134)	-61.9%
Auxiliary Enterprises	397,431,501	486,848,335	541,687,003	54,838,668	11.3%
Depreciation and Amortization	418,264,168	388,650,455	446,071,016	57,420,561	14.8%
Total Operating Expenses	$ 4,697,142,877	4,423,186,387	4,790,285,039	367,098,652	8.3%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 691,970,475	651,898,345	(40,072,130)	-5.8%
Designated	1,565,680,816	1,672,974,115	107,293,299	6.9%
Auxiliary	469,172,885	543,052,486	73,879,601	15.7%
Available University Fund	535,967,000	640,675,000	104,708,000	19.5%
Restricted	1,317,663,714	1,718,839,586	401,175,872	30.4%
Unexpended Plant	6,500,000	–	(6,500,000)	-100.0%
Subtotal - Expenditures (All Funds)	4,586,954,890	5,227,439,532	640,484,642	14.0%
Reconciling Adjustments:				
Tuition Discounting	(217,190,000)	(427,300,000)	(210,110,000)	96.7%
Depreciation	388,650,455	446,071,016	57,420,561	14.8%
Capital Outlay	(180,042,763)	(294,364,001)	(114,321,238)	63.5%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(74,825,358)	(78,731,417)	(3,906,059)	5.2%
Total Expenses (Including Transfers for Interest)	$ 4,503,547,224	4,873,115,130	369,567,906	8.2%

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

The University of Texas at Austin
Application of Available University Fund (AUF)
Recommended Budget 2026-2027

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 UT 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:		**$ 269,162,415**
Instructional Excellence		
Enhanced Academic Programs	$ 79,451,364	

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	20,563,809

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	1,555,046

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)	34,789,174

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	15,397,274

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 112,750,650

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.

Outreach Excellence

Academic Program/Community Interface 4,655,098

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: $ 100,051,179

Faculty 10,790,374

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 17,089,530

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 48,671,275

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 **$ 229,955,576**

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.

School of Civic Leadership - Civitas Institute **$ 6,462,263**

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, ethical, 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.

Dell Medical School **$ 29,243,544**

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 **$ 5,800,023**

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 **$ 640,675,000**

THE UNIVERSITY OF TEXAS AT DALLAS

The University of Texas at Dallas
Operating Budget Highlights
Fiscal Year Ending August 31, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The University of Texas at Dallas is a leading public research university and a major driver of talent, innovation, and economic growth for Texas. Located in one of the nation's fastest-growing metropolitan regions, U.T. Dallas serves more than 30,000 students across seven schools and more than 160 academic programs. As a Carnegie R1 institution, the University is recognized nationally for excellence in science, engineering, business, computing, arts and humanities, and the social sciences, graduating approximately 9,000 students annually and generating an estimated $2.2 billion in annual economic impact.

In the 2026 U.S. News & World Report Best Colleges rankings, U.T. Dallas ranked 54th among public universities nationally and 3rd among public universities in Texas. The Naveen Jindal School of Management ranked 9th among public universities in MBA programs and 2nd globally in business school research productivity. U.T. Dallas enrolls one of the nation's largest populations of National Merit Scholars among public universities. In FY 2025, the University reported $187.7 million in research expenditures, including $89.3 million in federal research funding, and awarded 312 doctoral degrees.

Building on this foundation, U.T. Dallas is developing Roadmap 2030, a new strategic plan expected to be finalized in November 2026. The plan is organized around three pillars: Student Success, focused on a seamless and supportive student journey from enrollment through career placement; Academic and Research Convergence, focused on leveraging the University's research and academic strengths to address workforce and societal needs in areas such as artificial intelligence, energy, manufacturing, and microelectronics; and External Impact, positioning U.T. Dallas as a driver of innovation across North Texas through deeper industry partnerships and an innovation venture foundry that empowers student entrepreneurship. The FY 2027 budget advances these priorities through strategic investments in faculty recruitment, research competitiveness, student success, deferred maintenance, and future capital needs while maintaining long-term financial resilience.

U.T. Dallas continues to be a destination of choice for high-achieving students, including National Merit Scholars. In fall 2025, the University welcomed its largest new undergraduate cohort, with first-time freshman resident enrollment increasing 18%. Total fall 2025 enrollment grew 0.8% to 30,139, as undergraduate gains were partially offset by declines in non-resident graduate enrollment. After four consecutive years of declines, summer 2026 enrollment increased 21% through targeted scholarships, expanded capacity, and student-success initiatives. Another record freshman and transfer cohort is anticipated for fall 2026.

This shift toward a larger undergraduate population increases demand for campus infrastructure, student-facing services, and long-term capital planning. At the same time, the University is managing inflationary pressures, higher medical insurance costs, and a competitive market for faculty and staff talent. In response, the FY 2027 budget includes a debt service reserve to support future capital needs, strategic use of Permanent University Fund deferred maintenance funding to address critical renewal and infrastructure priorities over a multi-year period, and a 2.0% merit program reserve, contingent on fall 2026 enrollment outcomes. The budget also includes a faculty salary reserve for new tenured and tenure-track faculty recruitment and targeted Texas Research Incentive Program funding to support research productivity and strategic alignment.

Revenue

The FY 2027 $906.1 million revenue budget includes a decrease of $0.9 million, or 0.1%, in total revenues and transfers over the FY 2026 budget. The decrease is primarily attributable to a $9.1 million reduction in tuition and fees, a $21.0 million decrease in discounts and allowances due to a change in discount methodology, and a $12.4 million decrease in sponsored programs revenue.

These reductions are largely offset by an $18.0 million increase in net investment income, $9.8 million in additional federal financial aid funding, a $4.6 million increase in housing, parking, and meal plan revenue, a $4.4 million increase from U.T. System Promise Plus and Regents’ Research Excellence Program funding, and $1.7 million in additional state appropriations.

Expenses

The FY 2027 $958.1 million expense budget includes an increase of $30.3 million, or 3.3%, in total expenses and transfers over the FY 2026 budget. The increase is primarily driven by $6.6 million for a 2.0% merit reserve and $3.3 million for higher premium share rates. The budget also includes $2.6 million to support new faculty through the Regents’ Research Excellence Program, $3.5 million for operations and maintenance of three new buildings, and $886,000 for a strategic investment in the High-Performance Computing Center.

The remaining $13.2 million reflects the planned use of prior-year Texas Research Incentive Program funding to support research-related strategic investments.

The University of Texas at Dallas
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 507,846,262	506,509,163	497,371,064	(9,138,099)	-1.8%
Less Discounts and Allowances	(188,744,243)	(167,057,991)	(188,044,261)	(20,986,270)	12.6%
Federal Sponsored Programs	142,926,394	130,193,587	127,490,491	(2,703,096)	-2.1%
State Sponsored Programs	21,788,154	22,909,270	20,810,221	(2,099,049)	-9.2%
Local and Private Sponsored Programs	12,905,459	12,478,256	15,727,006	3,248,750	26.0%
Net Sales and Services of Educational Activities	41,627,001	44,438,798	45,077,806	639,008	1.4%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	63,631,655	59,146,129	63,525,578	4,379,449	7.4%
Other Operating Revenues	19,321,482	13,922,800	25,620,271	11,697,471	84.0%
Total Operating Revenues	621,302,164	622,540,012	607,578,176	(14,961,836)	-2.4%
Operating Expenses:					
Compensation - Faculty	172,085,354	164,278,058	170,220,979	5,942,921	3.6%
Compensation - Non-Faculty	220,625,374	210,615,879	218,236,182	7,620,303	3.6%
Wages	47,247,276	45,103,727	46,807,849	1,704,122	3.8%
Benefits	124,203,048	122,052,755	131,375,218	9,322,463	7.6%
Personnel Costs	564,161,052	542,050,419	566,640,228	24,589,809	4.5%
Utilities	16,846,428	16,766,246	19,321,280	2,555,034	15.2%
Scholarships and Fellowships	232,721,996	226,542,864	232,511,678	5,968,814	2.6%
Less Discounts and Allowances	(188,744,243)	(167,057,991)	(188,044,261)	(20,986,270)	12.6%
Operations, Maintenance and Travel	195,014,336	203,888,335	210,903,045	7,014,710	3.4%
Less Capitalized Portion and Cap Lease/SBITA	(34,236,913)	(34,236,913)	(30,635,119)	3,601,794	-10.5%
Depreciation and Amortization	108,776,080	113,744,271	117,112,070	3,367,799	3.0%
Total Operating Expenses	894,538,736	901,697,231	927,808,921	26,111,690	2.9%
Operating Surplus (Deficit)	(273,236,572)	(279,157,219)	(320,230,745)	(41,073,526)	14.7%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	180,372,121	177,157,172	181,558,066	4,400,894	2.5%
Federal/State/Local Nonexchange Sponsored Programs	564,078	5,613,794	–	(5,613,794)	-100.0%
Gifts in Support of Operations	17,263,626	13,585,000	16,560,000	2,975,000	21.9%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	7,235,373	1,526,206	(5,709,167)	-78.9%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	198,199,825	203,591,339	199,644,272	(3,947,067)	-1.9%
Operating Surplus (Deficit) and Noncapital Subsidies	(75,036,747)	(75,565,880)	(120,586,473)	(45,020,593)	59.6%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	88,401,870	80,849,605	98,840,138	17,990,533	22.3%
Debt Service (Transfers Out) - Interest	(26,373,194)	(26,111,586)	(30,272,829)	(4,161,243)	15.9%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	62,028,676	54,738,019	68,567,309	13,829,290	25.3%
Budget Margin Surplus (Deficit)	$ (13,008,071)	(20,827,861)	(52,019,164)	(31,191,303)	149.8%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 907,903,859	906,980,956	906,062,586	(918,370)	-0.1%
Total Expenses and Transfers Out (Excluding Principal/Other)	(920,911,930)	(927,808,817)	(958,081,750)	(30,272,933)	3.3%
Budget Margin Surplus (Deficit)	$ (13,008,071)	(20,827,861)	(52,019,164)	(31,191,303)	
Reconciliation to Use of Prior Year Balances					
Depreciation		113,744,271	117,112,070		
Capital Outlay		(28,947,014)	(25,269,672)		
Debt Service (Transfers Out) - Principal		(28,298,876)	(30,922,908)		
Other Budget Transfers Within the Institution		(540,830)	(608,587)		
Net Additions to (Uses of) Prior Year Balances		35,129,690	8,291,739		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 258,363,069	253,679,835	266,559,974	12,880,139	5.1%
Academic Support	107,171,391	102,917,687	111,057,403	8,139,716	7.9%
Research	140,682,789	153,774,046	159,882,291	6,108,245	4.0%
Public Service	13,681,445	13,680,719	16,053,779	2,373,060	17.3%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	63,273,049	54,200,026	57,846,392	3,646,366	6.7%
Student Services	27,948,611	30,306,846	30,429,340	122,494	0.4%
Operations and Maintenance of Plant	72,662,496	73,180,194	71,817,352	(1,362,842)	-1.9%
Scholarships and Fellowships	45,995,629	52,158,181	40,439,960	(11,718,221)	-22.5%
Auxiliary Enterprises	55,984,177	54,055,426	56,610,360	2,554,934	4.7%
Depreciation and Amortization	108,776,080	113,744,271	117,112,070	3,367,799	3.0%
Total Operating Expenses	$ 894,538,736	901,697,231	927,808,921	26,111,690	2.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 268,247,865	257,527,061	(10,720,804)	-4.0%
Designated	511,357,112	562,476,201	51,119,089	10.0%
Auxiliary	81,502,806	86,045,878	4,543,072	5.6%
Available University Fund	–	–	–	0.0%
Restricted	172,060,644	173,957,381	1,896,737	1.1%
Unexpended Plant	5,200,000	5,200,000	–	0.0%
Subtotal - Expenditures (All Funds)	1,038,368,427	1,085,206,521	46,838,094	4.5%
Reconciling Adjustments:				
Tuition Discounting	(167,057,991)	(188,044,261)	(20,986,270)	12.6%
Depreciation	113,744,271	117,112,070	3,367,799	3.0%
Capital Outlay	(28,947,014)	(25,269,672)	3,677,342	-12.7%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(28,298,876)	(30,922,908)	(2,624,032)	9.3%
Total Expenses (Including Transfers for Interest)	$ 927,808,817	958,081,750	30,272,933	3.3%

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

THE UNIVERSITY OF TEXAS AT EL PASO

The University of Texas at El Paso
Operating Budget Highlights
Fiscal Year Ending August 31, 2027

Introduction - Major Goals Addressed by FY 2027 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 $162.3 million in total annual research expenditures, U.T. El Paso is ranked in the top 5% of higher education institutions for research nationally and fifth in Texas for federal research expenditures at public universities. U.T. El Paso maintains one of the lowest out-of-pocket costs of any doctoral research university in the United States and is one of only thirteen R1 institutions to receive 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 2027 operating budget was developed amid ongoing uncertainty surrounding federal research funding, proposed revisions to the Office of Management and Budget's Uniform Guidance, and potential changes to Facilities and Administrative (F&A) cost recovery. While the timing and ultimate impact of these federal actions remain uncertain, the budget incorporates prudent fiscal assumptions that preserve the University's financial resilience and flexibility to respond to an evolving funding environment. At the state level, the Legislature extended the tuition freeze for the biennium. Although additional state appropriations provided some relief, they do not fully offset inflationary pressures and rising operating costs. Recognizing these challenges, the University adopted a conservative and fiscally responsible budget strategy that preserves financial stability while maintaining the flexibility to respond to changing economic and funding conditions. As part of this effort, leadership conducted comprehensive contingency planning to identify potential budget reductions and operational efficiencies should additional fiscal constraints materialize. Despite these financial headwinds, the FY 2027 operating budget continues to advance U.T. El Paso's strategic priorities. The budget assumes a 2.5% increase in fall enrollment while recognizing that continued gains in student recruitment, retention, persistence, and graduation rates could exceed this projection. Investments remain focused on student success, research excellence, operational effectiveness and initiatives that strengthen institutional competitiveness, generate sustainable revenue growth, and advance the goals of the University's strategic plan. The FY 2027 budget reflects U.T. El Paso's continued commitment to responsible financial stewardship, protecting its core academic and research mission while positioning the University to navigate an increasingly dynamic higher education landscape with resilience and agility.

Revenue

The FY 2027 $602.1 million revenue budget includes an increase of $38.3 million, or 6.8%, in total revenues and transfers over the FY 2026 budget. Tuition and Fee revenue is projected to increase by $3.8 million (4.1%), driven by anticipated enrollment growth. The University's research enterprise continues to expand, with Sponsored Program revenues projected to increase by $10.0 million (10.5%), complemented by a $4.5 million (4.8%) increase in Federal Financial Aid funding. Auxiliary Enterprises revenue is expected to increase by $9.2 million (14.2%), primarily due to increased activity from major special events and ticket sales. In addition, Gifts for Operations are expected to increase by $2.6 million (16.8%), demonstrating continued philanthropic support for the University's mission. Although Investment Income is conservatively projected to decline by $3.6 million (-11.0%) due to anticipated market conditions, the University's overall revenue outlook remains strong, providing the financial capacity to sustain investments in student success, research excellence, and strategic institutional initiatives.

Expenses

The FY 2027 $622.7 million expense budget includes an increase of $40.4 million, or 6.9%, in total expenses and transfers over the FY 2026 budget. The FY 2027 operating budget includes a planned 2.0% merit for all faculty and staff and $300,000 for faculty tenure and promotion increases. Benefit costs are projected to increase 9.0% for staff group insurance, and student health insurance costs are projected to increase by $198,184. The FY 2027 operating budget also funds $250,000 for custodial contract increases. Depreciation expenses increased based on the substantial completion of the Texas Western Hall. Auxiliary enterprises are projected to grow due to increased expenditures tied to additional large-scale events.

The University of Texas at El Paso
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 236,287,155	225,071,715	242,526,959	17,455,244	7.8%
Less Discounts and Allowances	(146,025,462)	(131,704,005)	(145,312,592)	(13,608,587)	10.3%
Federal Sponsored Programs	147,707,131	140,720,656	157,692,766	16,972,110	12.1%
State Sponsored Programs	46,052,777	45,855,354	42,563,853	(3,291,501)	-7.2%
Local and Private Sponsored Programs	3,710,543	3,468,278	4,416,412	948,134	27.3%
Net Sales and Services of Educational Activities	7,282,321	4,384,958	4,002,088	(382,870)	-8.7%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	69,964,534	64,331,939	73,487,915	9,155,976	14.2%
Other Operating Revenues	7,520,990	25,000	15,091,833	15,066,833	60267.3%
Total Operating Revenues	372,499,989	352,153,895	394,469,234	42,315,339	12.0%
Operating Expenses:					
Compensation - Faculty	116,653,357	112,887,895	118,104,375	5,216,480	4.6%
Compensation - Non-Faculty	126,192,644	123,891,481	128,996,020	5,104,539	4.1%
Wages	23,067,661	15,096,630	18,697,446	3,600,816	23.9%
Benefits	78,988,776	74,209,020	81,287,125	7,078,105	9.5%
Personnel Costs	344,902,438	326,085,026	347,084,966	20,999,940	6.4%
Utilities	9,990,742	9,990,742	10,040,937	50,195	0.5%
Scholarships and Fellowships	175,544,847	168,571,523	178,825,120	10,253,597	6.1%
Less Discounts and Allowances	(146,025,462)	(131,704,005)	(145,312,592)	(13,608,587)	10.3%
Operations, Maintenance and Travel	137,060,366	172,207,845	190,885,494	18,677,649	10.8%
Less Capitalized Portion and Cap Lease/SBITA	–	(9,904,919)	(8,067,629)	1,837,290	-18.5%
Depreciation and Amortization	40,289,862	41,837,994	43,245,867	1,407,873	3.4%
Total Operating Expenses	561,762,793	577,084,206	616,702,163	39,617,957	6.9%
Operating Surplus (Deficit)	(189,262,804)	(224,930,311)	(222,232,929)	2,697,382	-1.2%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	154,984,944	152,829,300	158,113,790	5,284,490	3.5%
Federal/State/Local Nonexchange Sponsored Programs	–	–	–	–	0.0%
Gifts in Support of Operations	14,789,981	15,516,159	18,123,159	2,607,000	16.8%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	10,816,044	2,492,567	(8,323,477)	-77.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	169,774,925	179,161,503	178,729,516	(431,987)	-0.2%
Operating Surplus (Deficit) and Noncapital Subsidies	(19,487,879)	(45,768,808)	(43,503,413)	2,265,395	-4.9%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	33,289,999	32,454,343	28,895,246	(3,559,097)	-11.0%
Debt Service (Transfers Out) - Interest	(5,209,527)	(5,210,888)	(6,003,816)	(792,928)	15.2%
Other Nonoperating Revenues		–	–	–	0.0%
Total Other Nonoperating	28,080,472	27,243,455	22,891,430	(4,352,025)	-16.0%
Budget Margin Surplus (Deficit)	$ 8,592,593	(18,525,353)	(20,611,983)	(2,086,630)	11.3%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 575,564,913	563,769,741	602,093,996	38,324,255	6.8%
Total Expenses and Transfers Out (Excluding Principal/Other)	(566,972,320)	(582,295,094)	(622,705,979)	(40,410,885)	6.9%
Budget Margin Surplus (Deficit)	$ 8,592,593	(18,525,353)	(20,611,983)	(2,086,630)	
Reconciliation to Use of Prior Year Balances					
Depreciation		41,837,994	43,245,867		
Capital Outlay		(9,512,747)	(7,463,804)		
Debt Service (Transfers Out) - Principal		(6,465,862)	(6,827,592)		
Other Budget Transfers Within the Institution		49,000	2,541,567		
Net Additions to (Uses of) Prior Year Balances		7,383,032	10,884,055		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 133,966,396	147,287,451	155,299,099	8,011,648	5.4%
Academic Support	34,625,803	50,660,246	54,992,082	4,331,836	8.6%
Research	130,524,675	118,517,089	128,485,029	9,967,940	8.4%
Public Service	8,291,420	4,494,898	5,740,681	1,245,783	27.7%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	46,776,122	37,635,175	33,212,461	(4,422,714)	-11.8%
Student Services	27,742,360	32,091,335	36,591,996	4,500,661	14.0%
Operations and Maintenance of Plant	37,963,229	35,059,537	39,786,705	4,727,168	13.5%
Scholarships and Fellowships	27,064,445	33,019,724	33,168,651	148,927	0.5%
Auxiliary Enterprises	74,518,481	76,480,757	86,179,592	9,698,835	12.7%
Depreciation and Amortization	40,289,862	41,837,994	43,245,867	1,407,873	3.4%
Total Operating Expenses	$ 561,762,793	577,084,206	616,702,163	39,617,957	6.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 231,115,656	236,953,847	5,838,191	2.5%
Designated	202,936,853	217,994,639	15,057,786	7.4%
Auxiliary	81,431,668	91,816,767	10,385,099	12.8%
Available University Fund	–	–	–	0.0%
Restricted	170,655,537	191,798,847	21,143,310	12.4%
Unexpended Plant	2,000,000	500,000	(1,500,000)	-75.0%
Subtotal - Expenditures (All Funds)	688,139,714	739,064,100	50,924,386	7.4%
Reconciling Adjustments:				
Tuition Discounting	(131,704,005)	(145,312,592)	(13,608,587)	10.3%
Depreciation	41,837,994	43,245,867	1,407,873	3.4%
Capital Outlay	(9,512,747)	(7,463,804)	2,048,943	-21.5%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(6,465,862)	(6,827,592)	(361,730)	5.6%
Total Expenses (Including Transfers for Interest)	$ 582,295,094	622,705,979	40,410,885	6.9%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 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.

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 major gifts and non-formula funding received by the University in recent years for 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.

In an effort to support continued recruitment and retention of key employees, the University has reassessed onboarding and compensation procedures that will be utilized in conjunction with redesigned employee roster and compensation tracking by division.

Revenue

The FY 2027 $109.3 million revenue budget includes a decrease of $0.4 million, or 0.3%, in total revenues and transfers over the FY 2026 budget. This decrease in the overall revenue budget over the prior year budget is attributable to updating the discounts and allowances calculation to reflect actual historical averages rather than estimated averages used in the prior year budget. Additional decreases are attributable to reduced federal grant funding, the expiration of several state-sponsored grant programs, and budget alignment adjustments to better reflect where revenues are recorded, resulting in the decrease in Net Sales and Services of Educational activities.

Expenses

The FY 2027 $126.2 million expense budget includes an increase of $0.6 million, or 0.5%, in total expenses and transfers over the FY 2026 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 2027 have been included in the budget. The increase in the overall expense budget compared to the prior year is primarily due to a net increase of $2.4 million in operations, maintenance, and travel expenses. This increase is partially offset by personnel expense savings of $1.5 million due to overbudgeting of vacant positions in FY 2026 and a $0.3 million reduction in utility expenses for overbudgeting of other contracted services expense budgeted to utilities in FY 2026.

The University of Texas Permian Basin
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 42,945,747	42,252,918	42,526,688	273,770	0.6%
Less Discounts and Allowances	(15,611,318)	(17,159,312)	(15,941,302)	1,218,010	-7.1%
Federal Sponsored Programs	15,844,476	16,737,197	14,357,009	(2,380,188)	-14.2%
State Sponsored Programs	4,415,829	5,727,481	5,172,460	(555,021)	-9.7%
Local and Private Sponsored Programs	3,695,724	2,396,714	4,028,144	1,631,430	68.1%
Net Sales and Services of Educational Activities	1,371,359	1,156,500	983,157	(173,343)	-15.0%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	5,443,800	7,574,918	5,838,824	(1,736,094)	-22.9%
Other Operating Revenues	6,474,933	2,406,171	3,187,502	781,331	32.5%
Total Operating Revenues	64,580,550	61,092,587	60,152,482	(940,105)	-1.5%
Operating Expenses:					
Compensation - Faculty	14,956,609	16,057,354	15,356,508	(700,846)	-4.4%
Compensation - Non-Faculty	26,630,732	30,140,688	29,109,833	(1,030,855)	-3.4%
Wages	2,258,193	1,098,474	761,589	(336,885)	-30.7%
Benefits	14,319,441	12,724,395	13,303,485	579,090	4.6%
Personnel Costs	58,164,975	60,020,911	58,531,415	(1,489,496)	-2.5%
Utilities	2,672,588	3,305,238	2,962,342	(342,896)	-10.4%
Scholarships and Fellowships	28,156,229	31,354,166	30,051,713	(1,302,453)	-4.2%
Less Discounts and Allowances	(16,893,737)	(18,568,894)	(17,138,976)	1,429,918	-7.7%
Operations, Maintenance and Travel	29,742,934	25,632,666	28,076,461	2,443,795	9.5%
Less Capitalized Portion and Cap Lease/SBITA	–	(935,745)	(964,277)	(28,532)	3.0%
Depreciation and Amortization	20,843,392	21,224,484	21,108,881	(115,603)	-0.5%
Total Operating Expenses	122,686,381	122,032,826	122,627,559	594,733	0.5%
Operating Surplus (Deficit)	(58,105,831)	(60,940,239)	(62,475,077)	(1,534,838)	2.5%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	33,358,284	32,857,960	33,878,398	1,020,438	3.1%
Federal/State/Local Nonexchange Sponsored Programs	–	1,514,999	768,962	(746,037)	-49.2%
Gifts in Support of Operations	9,814,154	9,117,686	9,000,683	(117,003)	-1.3%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	500,324	1,000,001	499,677	99.9%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	43,172,438	43,990,969	44,648,044	657,075	1.5%
Operating Surplus (Deficit) and Noncapital Subsidies	(14,933,393)	(16,949,270)	(17,827,033)	(877,763)	5.2%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	4,913,101	4,547,101	4,455,841	(91,260)	-2.0%
Debt Service (Transfers Out) - Interest	(3,573,057)	(3,573,057)	(3,555,571)	17,486	-0.5%
Other Nonoperating Revenues		–	–	–	0.0%
Total Other Nonoperating	1,340,044	974,044	900,270	(73,774)	-7.6%
Budget Margin Surplus (Deficit)	$ (13,593,349)	(15,975,226)	(16,926,763)	(951,537)	6.0%

Total Revenues (Excluding State Appropriations CCAP)	$ 112,666,089	109,630,657	109,256,367	(374,290)	-0.3%
Total Expenses and Transfers Out (Excluding Principal/Other)	(126,259,438)	(125,605,883)	(126,183,130)	(577,247)	0.5%
Budget Margin Surplus (Deficit)	$ (13,593,349)	(15,975,226)	(16,926,763)	(951,537)	
Reconciliation to Use of Prior Year Balances					
Depreciation		21,224,484	21,108,881		
Capital Outlay		(877,936)	(906,468)		
Debt Service (Transfers Out) - Principal		(2,206,510)	(1,660,510)		
Other Budget Transfers Within the Institution		185,657	100,000		
Net Additions to (Uses of) Prior Year Balances		2,350,469	1,715,140		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 33,272,942	34,658,475	30,916,587	(3,741,888)	-10.8%
Academic Support	8,767,725	9,544,903	7,935,622	(1,609,281)	-16.9%
Research	3,630,492	4,887,996	2,345,685	(2,542,311)	-52.0%
Public Service	6,060,943	5,912,654	6,174,604	261,950	4.4%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	12,913,433	11,618,093	14,139,769	2,521,676	21.7%
Student Services	3,513,017	3,221,738	3,785,227	563,489	17.5%
Operations and Maintenance of Plant	11,005,064	9,865,707	12,085,787	2,220,080	22.5%
Scholarships and Fellowships	13,073,817	11,914,813	14,162,217	2,247,404	18.9%
Auxiliary Enterprises	9,605,556	9,183,963	9,973,180	789,217	8.6%
Depreciation and Amortization	20,843,392	21,224,484	21,108,881	(115,603)	-0.5%
Total Operating Expenses	$ 122,686,381	122,032,826	122,627,559	594,733	0.5%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 43,832,600	44,167,299	334,699	0.8%
Designated	35,713,355	37,686,302	1,972,947	5.5%
Auxiliary	15,815,324	15,122,641	(692,683)	-4.4%
Available University Fund	–	–	–	0.0%
Restricted	30,487,803	27,703,961	(2,783,842)	-9.1%
Unexpended Plant	185,657	100,000	(85,657)	-46.1%
Subtotal - Expenditures (All Funds)	126,034,739	124,780,203	(1,254,536)	-1.0%
Reconciling Adjustments:				
Tuition Discounting	(18,568,894)	(17,138,976)	1,429,918	-7.7%
Depreciation	21,224,484	21,108,881	(115,603)	-0.5%
Capital Outlay	(877,936)	(906,468)	(28,532)	3.2%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(2,206,510)	(1,660,510)	546,000	-24.7%
Total Expenses (Including Transfers for Interest)	$ 125,605,883	126,183,130	577,247	0.5%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The University of Texas Rio Grande Valley FY 2027 budget is based on projected enrollment of 35,300 students. While it represents its continued commitment to affordability and access, it strategically places emphasis on investments for students, faculty, staff, and facilities to support expansion of education opportunities, access to high-quality and affordable healthcare, enhanced research activity, and strong community engagement and integration. As the University continues celebrating its first decade, a remarkable inaugural football season, and the first Podiatric Medicine graduating class, the FY 2027 budget focuses on continued momentum toward achieving future milestones.

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. Continued investments include support for new facilities and equipment for new academic programs such as the Schools of Optometry and Physical Therapy and for research PhD programs. Second, the University continues investing in faculty and staff, including increasing the number of faculty and staff positions, a review of salaries in key areas, such as health professions and support operations, and a modest mid-year merit for faculty and staff. Third, the establishment of the Health Affairs division will provide central leadership and support to health-related programs to manage the significant growth in healthcare education and patient care. Importantly, FY 2027 begins the first full year of operations for the Cancer and Surgery Center. Finally, continued support in athletics, spirit, and marching band programs is included to continue cultivating community engagement and the college-going culture in the Rio Grande Valley.

Revenue

The FY 2027 $771.7 million revenue budget includes an increase of $24.5 million, or 3.3%, in total revenues and transfers over the FY 2026 budget. First, a projected $10.0 million tuition and fee increase, net of discounting, is mostly attributed to realized enrollment growth achieved during FY 2026. The increase in sponsored programs is due to a $10.9 million increase in the Pell Grant program, an $11.9 million increase in the TEXAS Grant program, and a $1.0 million increase in the Promise Plus program. State appropriation increases include $2.4 million in state-paid benefits and $1.1 million for the University's inaugural participation in the Texas Higher Education Coordinating Board Financial Aid for Swift Transfer program supporting dual credit enrollment. In addition, support for the Regional Security Operations Center is growing to $3.9 million, an increase of $0.7 million. Professional fees from the medical practice plan revenues include $5.0 million for the new Ambulatory Surgery Center, but overall activity remains close to budgeted FY 2026 levels. Finally, a $1.4 million increase in indirect cost recoveries is budgeted as growth in research activity remains strong.

Expenses

The FY 2027 $856.0 million expense budget includes an increase of $40.1 million, or 4.9%, in total expenses and transfers over the FY 2026 budget. A critical strategic investment is $2.9 million to support the new Health Affairs division office and support services to provide unified oversight over all health-related programs and clinical activities. In addition, $5.8 million is budgeted for the initial year of operations for the Ambulatory Surgery Center. Other funding supporting health-related programs include $5.0 million for the new School of Optometry, $14.7 million for the School of Podiatric Medicine, $1.2 million for the Occupational Therapy Doctorate program, and $1.6 million for Doctor of Physical Therapy program. In addition, $3.6 million is dedicated to research PhD programs in Human Genetics, Materials Science and Engineering, Computer Science, Physics, and Mathematics.

Scholarships, before discounts, are projected at $292.7 million, including $140.9 million in Pell Grants, $67.0 million in TEXAS Grants, $7.9 million in UTRGV Scholars, and $1.1 million in Luminary Scholars. $31.9 million in financial aid from tuition set asides, along with the $6.1 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, $13.9 million is budgeted for exemptions, of which $10.1 million is estimated for Hazlewood recipients.

Labor investments include $4.1 million for additional faculty to support enrollment growth and research capacity, partly funded by reallocation, $1.0 million for faculty promotions, $2.8 million for faculty and staff merit, and $2.0 million set-aside for compensation study adjustments. An additional $11.5 million in fringe benefits is mostly attributed to an increase 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 facilities maintenance costs and utilities of $3.4 million and $1.5 million, respectively.

The University of Texas Rio Grande Valley
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 360,425,869	338,072,924	362,516,481	24,443,557	7.2%
Less Discounts and Allowances	(225,020,904)	(220,714,600)	(235,166,300)	(14,451,700)	6.5%
Federal Sponsored Programs	207,795,695	194,162,794	208,231,085	14,068,291	7.2%
State Sponsored Programs	70,266,519	69,701,721	81,283,704	11,581,983	16.6%
Local and Private Sponsored Programs	26,207,890	24,481,048	22,775,272	(1,705,776)	-7.0%
Net Sales and Services of Educational Activities	13,594,722	11,942,313	11,848,042	(94,271)	-0.8%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	23,576,887	32,691,231	32,022,265	(668,966)	-2.0%
Net Auxiliary Enterprises	15,346,120	14,788,989	16,948,509	2,159,520	14.6%
Other Operating Revenues	16,533,232	25,846,439	12,541,373	(13,305,066)	-51.5%
Total Operating Revenues	508,726,030	490,972,859	513,000,431	22,027,572	4.5%
Operating Expenses:					
Compensation - Faculty	156,455,884	160,311,044	163,412,636	3,101,592	1.9%
Compensation - Non-Faculty	192,227,616	198,242,868	209,800,975	11,558,107	5.8%
Wages	41,398,358	37,513,931	37,417,352	(96,579)	-0.3%
Benefits	118,453,718	122,920,564	134,460,648	11,540,084	9.4%
Personnel Costs	508,535,576	518,988,407	545,091,611	26,103,204	5.0%
Utilities	12,700,000	13,643,180	15,168,980	1,525,800	11.2%
Scholarships and Fellowships	282,151,983	264,808,138	292,672,488	27,864,350	10.5%
Less Discounts and Allowances	(225,020,904)	(220,714,600)	(235,166,300)	(14,451,700)	6.5%
Operations, Maintenance and Travel	145,398,030	159,607,432	152,891,351	(6,716,081)	-4.2%
Less Capitalized Portion and Cap Lease/SBITA	–	(23,827,947)	(20,439,101)	3,388,846	-14.2%
Depreciation and Amortization	86,783,000	88,860,800	91,632,408	2,771,608	3.1%
Total Operating Expenses	810,547,685	801,365,410	841,851,437	40,486,027	5.1%
Operating Surplus (Deficit)	(301,821,655)	(310,392,551)	(328,851,006)	(18,458,455)	5.9%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	221,296,627	216,681,362	229,458,246	12,776,884	5.9%
Federal/State/Local Nonexchange Sponsored Programs	–	1,309,000	–	(1,309,000)	-100.0%
Gifts in Support of Operations	6,962,000	4,627,043	4,350,999	(276,044)	-6.0%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	8,212,075	3,750,000	(4,462,075)	-54.3%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	228,258,627	230,829,480	237,559,245	6,729,765	2.9%
Operating Surplus (Deficit) and Noncapital Subsidies	(73,563,028)	(79,563,071)	(91,291,761)	(11,728,690)	14.7%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	24,270,000	24,754,200	21,168,956	(3,585,244)	-14.5%
Debt Service (Transfers Out) - Interest	(10,126,972)	(14,519,793)	(14,120,424)	399,369	-2.8%
Other Nonoperating Revenues	–	712,970	–	(712,970)	-100.0%
Total Other Nonoperating	14,143,028	10,947,377	7,048,532	(3,898,845)	-35.6%
Budget Margin Surplus (Deficit)	$ (59,420,000)	(68,615,694)	(84,243,229)	(15,627,535)	22.8%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 761,254,657	747,269,509	771,728,632	24,459,123	3.3%
Total Expenses and Transfers Out (Excluding Principal/Other)	(820,674,657)	(815,885,203)	(855,971,861)	(40,086,658)	4.9%
Budget Margin Surplus (Deficit)	$ (59,420,000)	(68,615,694)	(84,243,229)	(15,627,535)	
Reconciliation to Use of Prior Year Balances					
Depreciation		88,860,800	91,632,408		
Capital Outlay		(13,306,000)	(12,288,000)		
Debt Service (Transfers Out) - Principal		(19,168,244)	(16,426,780)		
Other Budget Transfers Within the Institution		(589,695)	(619,846)		
Net Additions to (Uses of) Prior Year Balances		(12,818,833)	(21,945,447)		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 217,781,559	229,448,893	240,539,362	11,090,469	4.8%
Academic Support	87,826,848	93,959,537	104,168,441	10,208,904	10.9%
Research	12,457,715	74,259,786	75,471,442	1,211,656	1.6%
Public Service	98,440,933	17,855,878	18,375,409	519,531	2.9%
Hospitals and Clinics	55,409,697	67,708,112	50,949,590	(16,758,522)	-24.8%
Institutional Support	39,983,887	44,503,928	51,233,606	6,729,678	15.1%
Student Services	42,887,681	38,258,852	40,191,412	1,932,560	5.1%
Operations and Maintenance of Plant	57,799,579	52,023,165	57,396,460	5,373,295	10.3%
Scholarships and Fellowships	56,697,993	56,054,863	67,263,741	11,208,878	20.0%
Auxiliary Enterprises	86,783,000	38,431,596	44,629,566	6,197,970	16.1%
Depreciation and Amortization	54,478,793	88,860,800	91,632,408	2,771,608	3.1%
Total Operating Expenses	$ 810,547,685	801,365,410	841,851,437	40,486,027	5.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 346,047,097	367,239,359	21,192,262	6.1%
Designated	362,155,973	375,176,354	13,020,381	3.6%
Auxiliary	57,870,320	61,726,664	3,856,344	6.7%
Available University Fund	–	–	–	0.0%
Restricted	212,941,639	224,078,156	11,136,517	5.2%
Unexpended Plant	1,198,218	–	(1,198,218)	-100.0%
Subtotal - Expenditures (All Funds)	980,213,247	1,028,220,533	48,007,286	4.9%
Reconciling Adjustments:				
Tuition Discounting	(220,714,600)	(235,166,300)	(14,451,700)	6.5%
Depreciation	88,860,800	91,632,408	2,771,608	3.1%
Capital Outlay	(13,306,000)	(12,288,000)	1,018,000	-7.7%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(19,168,244)	(16,426,780)	2,741,464	-14.3%
Total Expenses (Including Transfers for Interest)	$ 815,885,203	855,971,861	40,086,658	4.9%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The integration of the academic and health campuses continues to advance, strengthening U.T. San Antonio's position as one of the nation's leading comprehensive public research universities. As a complex, multi-year initiative, the integration will continue over the coming years as the University aligns academic, research, administrative, and operational functions to maximize collaboration, efficiency, and long-term institutional success. Strategic investments in research infrastructure, technology, and campus facilities support continued enrollment growth, enhance the student experience, and increase the university's research competitiveness. While the university progresses toward full integration, separate operating budgets will continue to be developed and submitted for the academic and health campuses to ensure transparency and accountability.

The FY 2027 operating budget continues to prioritize a commitment to attracting and retaining exceptional talent, expanding student support services, increasing institutional financial aid, and sustaining the University's growing research enterprise. At the same time, the University continues to navigate uncertainty at the federal and state levels, a continued freeze on tuition and mandatory academic fees, evolving athletics revenue-sharing requirements, and ongoing investments to expand the downtown campus. Through careful financial planning and operational excellence, the university remains committed to advancing its mission while ensuring long-term financial sustainability.

Revenue

The FY 2027 $881.2 million revenue budget includes an increase of $64.7 million, or 7.9%, in total revenues and transfers over the FY 2026 budget. The University experienced another year of record enrollment growth in Fall 2025 and is projecting an additional 1.3% increase in headcount and a 0.7% increase in student credit hours for Fall 2026. Continued enrollment growth is expected to generate approximately $32.0 million in additional gross tuition and fee revenue, partially offset by increased institutional financial aid, continued growth in tuition exemptions, and tuition discounting. Exemption rates have increased for the third consecutive year, rising from 7.4% to 8.3% over the past three years. FY 2027 also includes a budget presentation change to report tuition and fee revenue gross of exemptions, affecting year-over-year comparisons.

As the second year of the biennium, FY 2027 includes only minimal changes in state appropriations, primarily related to employee benefit funding. Other significant revenue changes include $7.5 million in funding for Texas Cyber Command, $25.0 million increase in Pell Grant funding, $13.3 million in auxiliary revenues associated with continued campus growth and operations, a $3.0 million increase in TEXAS Grant funding, and a $2.0 million increase in indirect cost recovery resulting from conservative budgeting during a time of sponsored program uncertainty.

Expenses

The FY 2027 $924.3 million expense budget includes an increase of $40.5 million, or 4.6%, in total expenses and transfers over the FY 2026 budget. Personnel costs increase $30.4 million, reflecting the University's continued commitment to investing in faculty and staff as a strategic priority. The budget includes funding for new positions to support the University’s continued growth, faculty and staff merit and market compensation strategies, pending the outcome of fall enrollment, continued investment in faculty startup funding, higher employee benefit costs, including a 9.0% increase in medical benefits, and the first full year with Texas Cyber Command expenditures. The increase also reflects ongoing budget reallocations to more accurately align compensation funding with personnel costs.

Scholarship expense increases $16.7 million, primarily reflecting continued investments in institutional financial aid, increased Pell Grant and TEXAS Grant funding, and the budget presentation change to report tuition and fee revenue gross of exemptions. These increases are partially offset by higher tuition discounts and allowances.

Maintenance and Operations budgets decrease $7.6 million, primarily due to changes in expenditure allocations and a continued conservative budgeting approach. The budget also includes the planned use of $6.4 million in reserve balances to support athletics operations. Overall, the FY 2027 operating budget reflects the University's continued commitment to strategic growth, responsible financial stewardship, and investments that advance its mission.

The University of Texas at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 449,766,333	387,053,112	438,818,001	51,764,889	13.4%
Less Discounts and Allowances	(177,144,529)	(138,682,800)	(175,966,000)	(37,283,200)	26.9%
Federal Sponsored Programs	188,691,489	182,387,074	198,497,100	16,110,026	8.8%
State Sponsored Programs	37,654,272	36,491,407	38,886,115	2,394,708	6.6%
Local and Private Sponsored Programs	8,010,269	8,220,841	15,000,000	6,779,159	82.5%
Net Sales and Services of Educational Activities	23,978,078	14,309,150	18,436,538	4,127,388	28.8%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	76,605,717	71,448,691	84,758,648	13,309,957	18.6%
Other Operating Revenues	21,600,775	11,083,957	18,266,390	7,182,433	64.8%
Total Operating Revenues	629,162,404	572,311,432	636,696,792	64,385,360	11.3%
Operating Expenses:					
Compensation - Faculty	158,092,437	149,687,649	152,347,410	2,659,761	1.8%
Compensation - Non-Faculty	205,286,460	196,204,117	209,722,824	13,518,707	6.9%
Wages	13,570,166	12,944,164	16,397,293	3,453,129	26.7%
Benefits	106,008,093	107,991,773	118,841,314	10,849,541	10.0%
Personnel Costs	482,957,156	466,827,703	497,308,841	30,481,138	6.5%
Utilities	18,490,764	20,671,230	21,347,162	675,932	3.3%
Scholarships and Fellowships	262,666,819	206,215,749	260,217,644	54,001,895	26.2%
Less Discounts and Allowances	(177,144,529)	(138,682,800)	(175,966,000)	(37,283,200)	26.9%
Operations, Maintenance and Travel	220,025,679	249,213,140	241,552,443	(7,660,697)	-3.1%
Less Capitalized Portion and Cap Lease/SBITA	(35,173,853)	(27,185,500)	(27,080,475)	105,025	-0.4%
Depreciation and Amortization	80,528,358	90,303,537	89,531,830	(771,707)	-0.9%
Total Operating Expenses	852,350,394	867,363,059	906,911,445	39,548,386	4.6%
Operating Surplus (Deficit)	(223,187,990)	(295,051,627)	(270,214,653)	24,836,974	-8.4%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	186,043,599	177,548,156	187,978,207	10,430,051	5.9%
Federal/State/Local Nonexchange Sponsored Programs	–	10,002,019	1,817,876	(8,184,143)	-81.8%
Gifts in Support of Operations	13,284,346	15,811,754	14,230,578	(1,581,176)	-10.0%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	8,496,921	–	(8,496,921)	-100.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	199,327,945	211,858,850	204,026,661	(7,832,189)	-3.7%
Operating Surplus (Deficit) and Noncapital Subsidies	(23,860,045)	(83,192,777)	(66,187,992)	17,004,785	-20.4%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	45,407,068	32,333,205	40,467,855	8,134,650	25.2%
Debt Service (Transfers Out) - Interest	(16,128,582)	(16,392,420)	(17,369,005)	(976,585)	6.0%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	29,278,486	15,940,785	23,098,850	7,158,065	44.9%
Budget Margin Surplus (Deficit)	$ 5,418,441	(67,251,992)	(43,089,142)	24,162,850	-35.9%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 873,897,417	816,503,487	881,191,308	64,687,821	7.9%
Total Expenses and Transfers Out (Excluding Principal/Other)	(868,478,976)	(883,755,479)	(924,280,450)	(40,524,971)	4.6%
Budget Margin Surplus (Deficit)	$ 5,418,441	(67,251,992)	(43,089,142)	24,162,850	
Reconciliation to Use of Prior Year Balances					
Depreciation		90,303,537	89,531,830		
Capital Outlay		(21,659,400)	(20,156,320)		
Debt Service (Transfers Out) - Principal		(21,459,100)	(25,134,607)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		(20,066,955)	1,151,761		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 182,504,807	166,367,286	160,434,106	(5,933,180)	-3.6%
Academic Support	113,825,673	124,233,117	128,135,109	3,901,992	3.1%
Research	179,626,506	155,849,903	163,455,631	7,605,728	4.9%
Public Service	13,986,463	15,941,289	20,373,869	4,432,580	27.8%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	57,613,924	62,761,306	61,733,940	(1,027,366)	-1.6%
Student Services	44,986,090	39,614,979	41,954,650	2,339,671	5.9%
Operations and Maintenance of Plant	46,436,116	57,700,705	57,321,551	(379,154)	-0.7%
Scholarships and Fellowships	60,094,622	74,241,711	90,798,314	16,556,603	22.3%
Auxiliary Enterprises	72,747,835	80,349,226	93,172,445	12,823,219	16.0%
Depreciation and Amortization	80,528,358	90,303,537	89,531,830	(771,707)	-0.9%
Total Operating Expenses	$ 852,350,394	867,363,059	906,911,445	39,548,386	4.6%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 301,715,071	317,429,219	15,714,148	5.2%
Designated	337,968,322	373,252,880	35,284,558	10.4%
Auxiliary	116,105,396	134,208,480	18,103,084	15.6%
Available University Fund	–	–	–	0.0%
Restricted	214,887,453	231,114,968	16,227,515	7.6%
Unexpended Plant	4,577,000	–	(4,577,000)	-100.0%
Subtotal - Expenditures (All Funds)	975,253,242	1,056,005,547	80,752,305	8.3%
Reconciling Adjustments:				
Tuition Discounting	(138,682,800)	(175,966,000)	(37,283,200)	26.9%
Depreciation	90,303,537	89,531,830	(771,707)	-0.9%
Capital Outlay	(21,659,400)	(20,156,320)	1,503,080	-6.9%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(21,459,100)	(25,134,607)	(3,675,507)	17.1%
Total Expenses (Including Transfers for Interest)	$ 883,755,479	924,280,450	40,524,971	4.6%

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 Highlights
Fiscal Year Ending August 31, 2027

Introduction - Major Goals Addressed by FY 2027 Budget
The FY 2027 operating budget sustains prior investments while advancing the University's strategic priorities with new investments in education, research activities, the clinical enterprise, technology, and integration and strategic planning efforts. These continued and new investments are central to the University's ten-year strategic plan to become a top public research university and health system and to position the combined University as a future-ready, world-class institution for San Antonio, Texas, the nation, and the world.

FY 2026 marked the first full year of operations for the Multi-Specialty Research Hospital (MSRH), establishing a strong foundation for clinical growth, research advancement, and expanding access to specialized care in South Texas. Key milestones included the launch of advanced cellular therapy and stem cell treatment services, enrollment of the hospital's first research patients, and the opening of the Center for Brain Health to address the growing regional demand for Alzheimer's and dementia care. Building on this momentum, FY 2027 will focus on expanding the MSRH's clinical capabilities and increasing patient access through the addition of Breast Imaging, a Cardiac Catheterization Lab, and Focused Ultrasound services. Continued growth across existing service lines is expected to drive higher patient volumes, support greater research activity, and advance utilization of inpatient capacity, further strengthening the MSRH's role as a premier destination for specialized and innovative healthcare.

Strategic clinical investments in the ambulatory setting will include space build out to expand access to high demand specialty services across key outpatient locations. Investments in primary and specialty care locations are designed to support growing patient demand, improve care delivery, and help drive volumes across the MSRH service lines. Growth in the Long School of Medicine is planned for primary care, women's health, pediatric, and surgical services, as well as expanding the Center for Brain Health to meet the growing healthcare needs of South Texas. These strategic investments strengthen the University's footprint, improve access to specialized care, and support continued advancement of clinical, research, and educational excellence. Key clinical initiatives for the School of Dentistry include expanding pediatric and special care services, advancing Digital Dentistry, and growing community-based care to improve patient outcomes and support long term growth.

Research initiatives and investments in FY 2027 focus on recruitment of nationally recognized investigators, expansion of signature research centers and institutes, increasing clinical trial activity, and advancement of programs in cancer, neuroscience, regenerative sciences, and pain therapeutics. These efforts will strengthen sponsored research growth, support translational discovery, and enhance collaboration between research and clinical programs to improve health outcomes across South Texas. Significant investments in lab renovations and upgrades planned throughout the University will help attract and retain top talent and advance research growth. The Science One Building, a key component of the research expansion strategy, is expected to be substantially completed in FY 2028 and will strengthen the research enterprise by providing cutting edge facilities for cancer, neuroscience, aging, and age-related disease research, accelerating scientific discovery and the development of new therapies.

Education remains a core mission priority, with FY 2027 focused on expanding academic programs, strengthening student success, and addressing healthcare workforce needs across the region. Investments in faculty, simulation and educational technologies, clinical training opportunities, and community-based learning are essential for planned accreditation reviews and will enhance educational excellence, support enrollment growth, and prepare the next generation of healthcare professionals.

Revenue
The FY 2027 $2.0 billion revenue budget includes an increase of $0.2 billion, or 8.8%, in total revenues and transfers over the FY 2026 budget. Total clinical revenues inclusive of clinical contracts grew overall by $129.4 million (11.8%) due to volume growth for both the MSRH and the clinical practice plans. Sponsored Program Revenues, exclusive of clinical contracts, increased by $44.5 million (14.7%) due to increased grants and contracts and the projected temporary sustainment of Facilities and Administrative revenues over the prior year's conservatively estimated budget in this area. Offsetting this are decreases in total State Appropriations of $14.6 million due to the full recognition of $20 million of Trauma Research and Combat Casualty Care Collaborative general revenue in FY26.

Expenses
The FY 2027 $2.1 billion expense budget includes an increase of $0.2 billion, or 10.1%, in total expenses and transfers over the FY 2026 budget. Personnel costs increased by $88.1 million (7.5%) with 527 planned faculty and staff recruitments needed in support of hospital and research initiatives and a 9.0% increase in health insurance premiums. Operational expenses increased by $94.2 million (16.0%) primarily in support of continued clinical expansion efforts and increases in grants and contracts expenditures. Depreciation grew by $9.0 million (7.1%) primarily due to the addition of the new Brain Health and Science One buildings.

The University of Texas Health Science Center at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 82,742,473	80,958,106	84,748,876	3,790,770	4.7%
Less Discounts and Allowances	(14,035,647)	(6,411,213)	(13,649,415)	(7,238,202)	112.9%
Federal Sponsored Programs	237,477,965	237,273,075	276,996,217	39,723,142	16.7%
State Sponsored Programs	27,933,260	27,909,032	29,086,912	1,177,880	4.2%
Local and Private Sponsored Programs	361,685,391	361,371,687	355,543,443	(5,828,244)	-1.6%
Net Sales and Services of Educational Activities	27,210,032	24,563,053	26,020,682	1,457,629	5.9%
Net Sales and Services of Hospital and Clinics	434,271,107	436,470,033	544,798,113	108,328,080	24.8%
Net Professional Fees	344,904,039	335,096,620	363,036,881	27,940,261	8.3%
Net Auxiliary Enterprises	6,190,441	12,348,675	13,223,646	874,971	7.1%
Other Operating Revenues	22,268,643	22,052,759	24,900,145	2,847,386	12.9%
Total Operating Revenues	1,530,647,704	1,531,631,827	1,704,705,500	173,073,673	11.3%
Operating Expenses:					
Compensation - Faculty	478,189,157	478,440,179	505,682,379	27,242,200	5.7%
Compensation - Non-Faculty	263,584,456	286,705,016	271,355,380	(15,349,636)	-5.4%
Wages	172,246,047	149,962,246	201,532,868	51,570,622	34.4%
Benefits	249,907,732	261,810,470	286,427,164	24,616,694	9.4%
Personnel Costs	1,163,927,392	1,176,917,911	1,264,997,791	88,079,880	7.5%
Utilities	28,731,691	26,355,638	27,843,093	1,487,455	5.6%
Scholarships and Fellowships	17,310,990	16,134,712	17,556,145	1,421,433	8.8%
Less Discounts and Allowances	(14,035,647)	(6,411,213)	(13,649,415)	(7,238,202)	112.9%
Operations, Maintenance and Travel	594,365,903	576,042,468	663,484,401	87,441,933	15.2%
Less Capitalized Portion and Cap Lease/SBITA	(44,791,333)	(49,156,735)	(38,971,286)	10,185,449	-20.7%
Depreciation and Amortization	132,800,000	126,800,000	135,800,000	9,000,000	7.1%
Total Operating Expenses	1,878,308,996	1,866,682,781	2,057,060,729	190,377,948	10.2%
Operating Surplus (Deficit)	(347,661,292)	(335,050,954)	(352,355,229)	(17,304,275)	5.2%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	251,721,525	261,677,109	247,082,379	(14,594,730)	-5.6%
Federal/State/Local Nonexchange Sponsored Programs	–	–	–	–	0.0%
Gifts in Support of Operations	18,748,526	8,472,106	11,005,582	2,533,476	29.9%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	270,470,051	270,149,215	258,087,961	(12,061,254)	-4.5%
Operating Surplus (Deficit) and Noncapital Subsidies	(77,191,241)	(64,901,739)	(94,267,268)	(29,365,529)	45.2%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	65,857,859	67,504,292	71,168,336	3,664,044	5.4%
Debt Service (Transfers Out) - Interest	(26,652,831)	(25,613,429)	(26,524,688)	(911,259)	3.6%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	39,205,028	41,890,863	44,643,648	2,752,785	6.6%
Budget Margin Surplus (Deficit)	$ (37,986,213)	(23,010,876)	(49,623,620)	(26,612,744)	115.7%
Total Revenues (Excluding State Appropriations CCAP)	$ 1,866,975,614	1,869,285,334	2,033,961,797	164,676,463	8.8%
Total Expenses and Transfers Out (Excluding Principal/Other)	(1,904,961,827)	(1,892,296,210)	(2,083,585,417)	(191,289,207)	10.1%
Budget Margin Surplus (Deficit)	$ (37,986,213)	(23,010,876)	(49,623,620)	(26,612,744)	
Reconciliation to Use of Prior Year Balances					
Depreciation		126,800,000	135,800,000		
Capital Outlay		(34,256,858)	(22,687,763)		
Debt Service (Transfers Out) - Principal		(42,236,613)	(45,128,185)		
Other Budget Transfers Within the Institution		(1,780,003)	(9,259,600)		
Net Additions to (Uses of) Prior Year Balances		25,515,650	9,100,832		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 526,945,070	523,597,710	576,272,616	52,674,906	10.1%
Academic Support	77,017,646	76,528,400	80,669,181	4,140,781	5.4%
Research	271,107,208	269,385,029	276,825,346	7,440,317	2.8%
Public Service	107,466,641	106,783,971	136,399,265	29,615,294	27.7%
Hospitals and Clinics	598,193,175	594,393,219	679,229,227	84,836,008	14.3%
Institutional Support	88,882,762	88,318,144	91,207,931	2,889,787	3.3%
Student Services	3,878,058	3,853,423	3,934,844	81,421	2.1%
Operations and Maintenance of Plant	52,005,697	51,675,337	52,848,456	1,173,119	2.3%
Scholarships and Fellowships	5,433,008	5,398,495	3,377,151	(2,021,344)	-37.4%
Auxiliary Enterprises	14,579,731	19,949,053	20,496,712	547,659	2.7%
Depreciation and Amortization	132,800,000	126,800,000	135,800,000	9,000,000	7.1%
Total Operating Expenses	$ 1,878,308,996	1,866,682,781	2,057,060,729	190,377,948	10.2%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 291,816,571	301,079,238	9,262,667	3.2%
Designated	1,253,022,826	1,394,559,327	141,536,501	11.3%
Auxiliary	21,336,540	22,868,955	1,532,415	7.2%
Available University Fund	–	–	–	0.0%
Restricted	278,224,957	310,743,260	32,518,303	11.7%
Unexpended Plant	4,000,000	–	(4,000,000)	-100.0%
Subtotal - Expenditures (All Funds)	1,848,400,894	2,029,250,780	180,849,886	9.8%
Reconciling Adjustments:				
Tuition Discounting	(6,411,213)	(13,649,415)	(7,238,202)	112.9%
Depreciation	126,800,000	135,800,000	9,000,000	7.1%
Capital Outlay	(34,256,858)	(22,687,763)	11,569,095	-33.8%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(42,236,613)	(45,128,185)	(2,891,572)	6.8%
Total Expenses (Including Transfers for Interest)	$ 1,892,296,210	2,083,585,417	191,289,207	10.1%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

With the FY 2027 budget, Stephen F. Austin State University begins its fourth year as a member of The University of Texas System. Under the leadership of Dr. Neal Weaver, in his third year as president, Stephen F. Austin has finalized 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. Building upon the Fall 2025 increase in first time undergraduate students, Stephen F. Austin anticipates a third year of enrollment growth. Enhanced funding for the Purple Promise program, focused efforts to improve the application and enrollment processes, as well as strategic marketing campaigns for academic programs, indicate a 7.0% increase in the overall population of students for Fall 2026. With the increases in first-time undergraduate students and continuing undergraduate students, the University is at capacity in on-campus residence hall space and is currently in the planning phase to construct a new residence hall.

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, remains under construction with an anticipated opening date of Fall 2027. A groundbreaking ceremony on June 22, 2026, launched construction of the Greg Arnold Center for Entrepreneurship (GACE) Building totaling approximately $40.0 million. Additionally, the GACE program is expanding in FY 2027 by adding staff to support strategic initiatives and future growth.

Revenue

The FY 2027 $240.1 million revenue budget includes an increase of $13.2 million, or 5.8%, in total revenues and transfers over the FY 2026 budget. Budgeted gross tuition and fee revenue is increased by $14.5 million from the FY 2025 budget. This increase represents a $3.7 million budget increase to FY 2026 actuals, a 7.0% ($7.5 million) increase for projected enrolled credit hours for FY 2027, and $3.3 million in new fee revenue resulting from the student referendum authorizing an Intercollegiate Athletics Fee. In FY 2027, general appropriation revenue increases slightly by $400,000 following a $3.0 million decrease in FY 2026 resulting from reduced formula funding during the previous biennium.

Auxiliary revenue is budgeted to increase by $3.2 million resulting from increased residence hall occupancy, increased sales of meal plans, and an increase in parking permit fees. Budgeted investment income is increased by $1.0 million to more closely reflect FY 2026 actual income.

Fiscal Year 2027 marks the fourth and final year of operational support provided by The University of Texas System as part of the University’s affiliation agreement.

Expenses

The FY 2027 $262.6 million expense budget includes an increase of $16.8 million, or 6.8%, in total expenses and transfers over the FY 2026 budget. Salaries and wages continue to be the highest expense for the University and will increase in total by approximately $6.5 million from the prior year budget. This increase is driven by the full year impact of the FY 2026 cost-of-living adjustment for staff of $800,000, the 9.0% projected escalation in related benefits of $2.4 million, faculty market and promotion adjustments budgeted at $1.3 million, and specific initiatives related to programming for GACE of $1.2 million. A staff merit or equity pool of $800,000 is also budgeted and is contingent on Fall 2026 enrollment revenue being realized.

Financial Aid expenditures are budgeted to increase $2.0 million to cover increased awards for academic excellence scholarships, increased set-asides, and Purple Promise awards.

Auxiliary operating expenditures are expected to increase by $5.8 million. Athletics budgeted expenditures are increased by $3.2 million to bring budget in alignment with spending trends. This increase represents a normalized athletics expenditure decrease of approximately 7.0% from FY 2026 and FY 2025 expenditure levels, and is funded primarily with the new Intercollegiate Athletics Fee. Housing and dining operating expenditures are expected to increase by $2.6 million due to inflation in utility costs, increase in other contracted services for meal plans, and personnel costs.

Debt service interest and principal for FY 2027 totaling $10.8 million represents a decrease of $5.2 million due to retirement of auxiliary debt.

Stephen F. Austin State University
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 112,517,123	108,623,557	123,116,580	14,493,023	13.3%
Less Discounts and Allowances	(54,503,623)	(50,694,000)	(56,576,000)	(5,882,000)	11.6%
Federal Sponsored Programs	26,485,813	26,485,813	30,490,322	4,004,509	15.1%
State Sponsored Programs	14,729,001	14,729,001	16,022,892	1,293,891	8.8%
Local and Private Sponsored Programs	1,552,726	1,552,726	1,544,849	(7,877)	-0.5%
Net Sales and Services of Educational Activities	5,532,385	5,082,385	4,970,651	(111,734)	-2.2%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	38,050,694	36,397,782	39,621,848	3,224,066	8.9%
Other Operating Revenues	4,368,000	4,368,000	5,195,316	827,316	18.9%
Total Operating Revenues	148,732,119	146,545,264	164,386,458	17,841,194	12.2%
Operating Expenses:					
Compensation - Faculty	52,435,871	51,935,871	49,491,849	(2,444,022)	-4.7%
Compensation - Non-Faculty	45,933,820	45,933,820	50,029,344	4,095,524	8.9%
Wages	12,405,191	12,405,191	14,071,509	1,666,318	13.4%
Benefits	44,395,782	44,395,782	47,600,186	3,204,404	7.2%
Personnel Costs	155,170,664	154,670,664	161,192,888	6,522,224	4.2%
Utilities	7,539,117	6,539,117	6,833,749	294,632	4.5%
Scholarships and Fellowships	72,094,739	67,050,976	74,835,645	7,784,669	11.6%
Less Discounts and Allowances	(64,885,265)	(60,350,000)	(67,352,000)	(7,002,000)	11.6%
Operations, Maintenance and Travel	52,967,680	51,458,132	58,140,373	6,682,241	13.0%
Less Capitalized Portion and Cap Lease/SBITA	–	(3,454,744)	(4,515,697)	(1,060,953)	30.7%
Depreciation and Amortization	24,950,000	24,950,000	28,129,000	3,179,000	12.7%
Total Operating Expenses	247,836,935	240,864,145	257,263,958	16,399,813	6.8%
Operating Surplus (Deficit)	(99,104,816)	(94,318,881)	(92,877,500)	1,441,381	-1.5%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	51,692,800	51,692,800	52,080,794	387,994	0.8%
Federal/State/Local Nonexchange Sponsored Programs	–	–	–	–	0.0%
Gifts in Support of Operations	11,589,789	4,889,789	2,177,921	(2,711,868)	-55.5%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	10,700,000	7,527,000	(3,173,000)	-29.7%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	63,282,589	67,282,589	61,785,715	(5,496,874)	-8.2%
Operating Surplus (Deficit) and Noncapital Subsidies	(35,822,227)	(27,036,292)	(31,091,785)	(4,055,493)	15.0%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	20,575,746	13,075,746	13,972,834	897,088	6.9%
Debt Service (Transfers Out) - Interest	(4,840,756)	(4,994,468)	(5,348,904)	(354,436)	7.1%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	15,734,990	8,081,278	8,623,930	542,652	6.7%
Budget Margin Surplus (Deficit)	$ (20,087,237)	(18,955,014)	(22,467,855)	(3,512,841)	18.5%

Total Revenues (Excluding State Appropriations CCAP)	$ 232,590,454	226,903,599	240,145,007	13,241,408	5.8%
Total Expenses and Transfers Out (Excluding Principal/Other)	(252,677,691)	(245,858,613)	(262,612,862)	(16,754,249)	6.8%
Budget Margin Surplus (Deficit)	$ (20,087,237)	(18,955,014)	(22,467,855)	(3,512,841)	
Reconciliation to Use of Prior Year Balances					
Depreciation		24,950,000	28,129,000		
Capital Outlay		(2,570,000)	(3,297,697)		
Debt Service (Transfers Out) - Principal		(11,414,986)	(6,767,426)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		(7,990,000)	(4,403,978)		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 71,257,761	76,149,547	72,931,206	(3,218,341)	-4.2%
Academic Support	20,392,650	19,256,479	19,668,749	412,270	2.1%
Research	5,210,644	4,762,829	3,479,682	(1,283,147)	-26.9%
Public Service	2,016,449	1,785,257	4,052,817	2,267,560	127.0%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	35,796,473	36,136,147	40,697,961	4,561,814	12.6%
Student Services	12,379,543	12,819,396	14,593,730	1,774,334	13.8%
Operations and Maintenance of Plant	15,936,910	10,282,670	11,807,573	1,524,903	14.8%
Scholarships and Fellowships	8,525,161	10,514,901	11,839,696	1,324,795	12.6%
Auxiliary Enterprises	53,064,324	44,206,919	50,063,544	5,856,625	13.2%
Depreciation and Amortization	23,257,020	24,950,000	28,129,000	3,179,000	12.7%
Total Operating Expenses	$ 247,836,935	240,864,145	257,263,958	16,399,813	6.8%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 75,957,659	78,793,703	2,836,044	3.7%
Designated	112,445,964	119,493,514	7,047,550	6.3%
Auxiliary	64,487,315	69,206,916	4,719,601	7.3%
Available University Fund	–	–	–	0.0%
Restricted	42,352,661	44,406,852	2,054,191	4.9%
Unexpended Plant	–	–	–	0.0%
Subtotal - Expenditures (All Funds)	295,243,599	311,900,985	16,657,386	5.6%
Reconciling Adjustments:				
Tuition Discounting	(60,350,000)	(67,352,000)	(7,002,000)	11.6%
Depreciation	24,950,000	28,129,000	3,179,000	12.7%
Capital Outlay	(2,570,000)	(3,297,697)	(727,697)	28.3%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(11,414,986)	(6,767,426)	4,647,560	-40.7%
Total Expenses (Including Transfers for Interest)	$ 245,858,613	262,612,862	16,754,249	6.8%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The FY 2027 budget for The University of Texas at Tyler's academic operations reflects the 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. These efforts enable students to train locally as a vital part of the community, contribute to economic growth, and increase the likelihood of retaining a strong workforce within the region. U.T. Tyler continues to defy industry trends with continued enrollment growth while other regional institutions nationwide see flat or decreasing enrollment. This budget is proactive in reducing the cost of education, and building a positive cash flow margin to strategically positioning the University to continue to attract and retain students while targeting 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. The FY 2027 budget will support 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 2027 $209.7 million revenue budget includes a decrease of $6.7 million, or 3.1%, in total revenues and transfers over the FY 2026 budget. This decrease is primarily related to operating revenues. The primary driver for this decrease is tuition and fees along with the associated discounts and allowances. While U.T. Tyler grew enrollment in FY 2026 by 5.7% over FY 2025, enrollment did not grow at the budgeted rate of 8.8%. U.T. Tyler is projecting to continue to grow enrollment in FY 2027 by 2.4% over FY 2026 actual Semester Credit Hours. This results in tuition and fees decreasing $1.7 million, or 1.6%, over FY 2026 budget, while discounts and allowances are increasing $5.1 million, or 12.4%. Sponsored program revenue increased $8.9 million, or 20.0% primarily due to an increased focus on research opportunities, as well as increases in Pell Grant eligible students and increased funding from the Texas Education Agency to support enrollment growth within the University Academy.

Expenses

The FY 2027 $220.8 million expense budget includes a decrease of $7.5 million, or 3.3%, in total expenses and transfers over the FY 2026 budget. This decrease is primarily related to operating expenses. This is an effort to move the University to a more sustainable model where operations are budgeted to function within re-aligned revenues. Operating expenses decreased $6.8 million, or 3.0% compared to the FY 2026 budget. This decrease is driven by the following factors. Personnel costs decreased $3.2 million, or 2.3% primarily due to targeted hiring freezes as well as retirement incentives. Operations, Maintenance, and Travel decreased $6.1 million, or 11.4% due to reductions in non-essential travel as well as evaluations of contracted services. These decreases are offset by increases in net scholarships and fellowships of $1.2 million, or 7.5% due to increasing Pell Grant eligible students, as well as, a more targeted approach to packaging to encourage a higher quality student. Depreciation also increased $2.7 million, or 14.8% relating to the new Nursing building and renovation coming online.

The University of Texas at Tyler
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 109,151,064	115,229,147	113,442,981	(1,786,166)	-1.6%
Less Discounts and Allowances	(48,110,985)	(41,030,000)	(46,110,985)	(5,080,985)	12.4%
Federal Sponsored Programs	13,767,294	26,361,291	30,822,991	4,461,700	16.9%
State Sponsored Programs	20,468,145	18,726,062	23,236,009	4,509,947	24.1%
Local and Private Sponsored Programs	175,768	437,000	415,160	(21,840)	-5.0%
Net Sales and Services of Educational Activities	7,582,968	12,579,842	6,719,678	(5,860,164)	-46.6%
Net Sales and Services of Hospital and Clinics	–	–	–	–	0.0%
Net Professional Fees	–	–	–	–	0.0%
Net Auxiliary Enterprises	11,172,100	18,507,921	12,951,357	(5,556,564)	-30.0%
Other Operating Revenues	1,413,852	656,958	3,796,579	3,139,621	477.9%
Total Operating Revenues	115,620,206	151,468,221	145,273,770	(6,194,451)	-4.1%
Operating Expenses:					
Compensation - Faculty	54,697,576	51,754,048	54,109,562	2,355,514	4.6%
Compensation - Non-Faculty	42,010,638	44,865,682	43,590,547	(1,275,135)	-2.8%
Wages	5,252,956	5,590,584	4,156,187	(1,434,397)	-25.7%
Benefits	33,121,701	33,249,528	30,440,145	(2,809,383)	-8.4%
Personnel Costs	135,082,871	135,459,842	132,296,441	(3,163,401)	-2.3%
Utilities	2,988,623	3,369,011	2,965,559	(403,452)	-12.0%
Scholarships and Fellowships	63,950,216	57,618,316	63,950,216	6,331,900	11.0%
Less Discounts and Allowances	(48,110,985)	(41,030,000)	(46,110,985)	(5,080,985)	12.4%
Operations, Maintenance and Travel	56,475,441	53,693,914	47,595,604	(6,098,310)	-11.4%
Less Capitalized Portion and Cap Lease/SBITA	(1,773,429)	(3,500,000)	(4,534,519)	(1,034,519)	29.6%
Depreciation and Amortization	20,748,577	18,075,000	20,748,557	2,673,557	14.8%
Total Operating Expenses	229,361,314	223,686,083	216,910,873	(6,775,210)	-3.0%
Operating Surplus (Deficit)	(113,741,108)	(72,217,862)	(71,637,103)	580,759	-0.8%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	52,210,934	54,250,563	55,723,789	1,473,226	2.7%
Federal/State/Local Nonexchange Sponsored Programs	27,102,780	495,239	–	(495,239)	-100.0%
Gifts in Support of Operations	1,446,789	1,506,572	1,519,129	12,557	0.8%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	80,760,503	56,252,374	57,242,918	990,544	1.8%
Operating Surplus (Deficit) and Noncapital Subsidies	(32,980,605)	(15,965,488)	(14,394,185)	1,571,303	-9.8%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	7,698,878	8,624,792	7,157,769	(1,467,023)	-17.0%
Debt Service (Transfers Out) - Interest	(3,472,481)	(4,570,176)	(3,890,924)	679,252	-14.9%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	4,226,397	4,054,616	3,266,845	(787,771)	-19.4%
Budget Margin Surplus (Deficit)	$ (28,754,208)	(11,910,872)	(11,127,340)	783,532	-6.6%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 204,079,587	216,345,387	209,674,457	(6,670,930)	-3.1%
Total Expenses and Transfers Out (Excluding Principal/Other)	(232,833,795)	(228,256,259)	(220,801,797)	7,454,462	-3.3%
Budget Margin Surplus (Deficit)	$ (28,754,208)	(11,910,872)	(11,127,340)	783,532	
Reconciliation to Use of Prior Year Balances					
Depreciation		18,075,000	20,748,557		
Capital Outlay		(2,000,000)	(2,800,000)		
Debt Service (Transfers Out) - Principal		(6,260,811)	(7,308,832)		
Other Budget Transfers Within the Institution		2,113,795	1,000,000		
Net Additions to (Uses of) Prior Year Balances		17,112	512,385		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 83,922,336	84,322,158	88,749,276	4,427,118	5.3%
Academic Support	20,948,794	21,190,073	21,896,782	706,709	3.3%
Research	4,245,301	4,294,197	4,572,312	278,115	6.5%
Public Service	905,284	915,711	933,109	17,398	1.9%
Hospitals and Clinics	–	–	–	–	0.0%
Institutional Support	19,714,278	19,941,339	15,937,810	(4,003,529)	-20.1%
Student Services	25,320,938	25,612,574	16,529,917	(9,082,657)	-35.5%
Operations and Maintenance of Plant	18,370,994	18,582,583	12,461,921	(6,120,662)	-32.9%
Scholarships and Fellowships	15,839,231	15,321,563	17,572,709	2,251,146	14.7%
Auxiliary Enterprises	19,345,581	15,430,885	17,508,480	2,077,595	13.5%
Depreciation and Amortization	20,748,577	18,075,000	20,748,557	2,673,557	14.8%
Total Operating Expenses	$ 229,361,314	223,686,083	216,910,873	(6,775,210)	-3.0%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 75,768,741	76,937,088	1,168,347	1.5%
Designated	127,296,212	117,452,103	(9,844,109)	-7.7%
Auxiliary	22,311,571	23,439,463	1,127,892	5.1%
Available University Fund	–	–	–	0.0%
Restricted	29,725,344	38,444,403	8,719,059	29.3%
Unexpended Plant	4,370,201	–	(4,370,201)	-100.0%
Subtotal - Expenditures (All Funds)	259,472,069	256,273,057	(3,199,012)	-1.2%
Reconciling Adjustments:				
Tuition Discounting	(41,030,000)	(46,110,985)	(5,080,985)	12.4%
Depreciation	18,075,000	20,748,557	2,673,557	14.8%
Capital Outlay	(2,000,000)	(2,800,000)	(800,000)	40.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(6,260,811)	(7,308,832)	(1,048,021)	16.7%
Total Expenses (Including Transfers for Interest)	$ 228,256,258	220,801,797	(7,454,461)	-3.3%

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 Highlights
Fiscal Year Ending August 31, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The FY 2027 budget for The Health Science Center at U.T. Tyler reflects the ongoing commitment to advancing health care and enhancing quality of life across East Texas through the region's only academic medical center and expanding medical education programs through the school of medicine and health professions. These efforts enable medical and health professional students to train locally, improve access to high-quality patient care, and increase the likelihood of retaining physicians within the region. U.T. Tyler 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. This budget is proactive in growing clinical services, extending the reach of faculty clinical operations, and supporting the ongoing development of the medical school—now fully enrolled—which necessitates further expansion of residency and Graduate Medical Education (GME) programs. 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 physicians, faculty and staff in a competitive hiring landscape. The FY 2027 budget will support patients and the East Texas region through academics, research and advanced healthcare delivery thus ensuring U.T. Tyler remains a dynamic and resilient institution in a rapidly evolving higher education environment.

Revenue

The FY 2027 $550.1 million revenue budget includes an increase of $55.2 million, or 11.2%, in total revenues and transfers over the FY 2026 budget. This increase is primarily related to operating revenues. Operating revenues increased $64.7 million, or 15.9% over the FY 2026 budget. This increase is driven by increases in both sponsored programs, and hospital revenues. Sponsored programs increased $34.9 million, or 22% ofter the FY 2026 budget. This increase reflects an increasing emphasis on clinical research projects. Hospital related revenues increased $15.6 million, or 7.0% over the FY 2026 budget. This increase reflects the continued growth in the hospital and clinical operations. These increases in revenues will allow The Health Science Center at U.T. Tyler to continue the investment in four core initiatives; continued clinical growth, expansion of the faculty practice plan, expansion of the residency and GME programs, and tuition and fee revenue for the medical school, which is beginning it's fourth cohort this year.

Expenses

The FY 2027 $551.8 million expense budget includes an increase of $63.3 million, or 13.0%, in total expenses and transfers over the FY 2026 budget. This increase is primarily related to operating expenses. Operating expenses increased $61.8 million, or 12.7% over the FY 2026 budget. The increase is driven by 3 main areas. Personnel costs, Operations, Maintenance, and Travel expense, and Depreciation expense. Personnel costs increased $37.6 million, or 11.4% over the FY 2026 budget. This increase is primarily related to increase physician hiring activity to support the growth in the clinical operation. Maintenance, Operations, and Travel expenses increased $14.2 million, or 10.6%. This increase is related to purchasing of medical supplies to support the clinical operation. Depreciation expense increase $7.8 million, or 35% relating to the School of Medicine education building coming online during FY 2026. These increases continue to build on 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 fourth 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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 4,506,890	3,908,000	6,117,492	2,209,492	56.5%
Less Discounts and Allowances	(1,015,671)	(591,000)	(697,380)	(106,380)	18.0%
Federal Sponsored Programs	10,242,780	9,212,000	8,058,012	(1,153,988)	-12.5%
State Sponsored Programs	12,401,165	11,043,000	18,548,044	7,505,044	68.0%
Local and Private Sponsored Programs	156,531,155	139,388,000	167,946,520	28,558,520	20.5%
Net Sales and Services of Educational Activities	18,794,801	14,537,000	–	(14,537,000)	-100.0%
Net Sales and Services of Hospital and Clinics	200,069,085	196,791,841	221,046,129	24,254,288	12.3%
Net Professional Fees	42,879,797	26,200,000	32,139,947	5,939,947	22.7%
Net Auxiliary Enterprises	69,877	87,000	100,000	13,000	14.9%
Other Operating Revenues	508,481	6,060,000	19,422,219	13,362,219	220.5%
Total Operating Revenues	444,988,360	406,635,841	472,680,983	66,045,142	16.2%
Operating Expenses:					
Compensation - Faculty	199,775,826	179,209,067	209,709,870	30,500,803	17.0%
Compensation - Non-Faculty	94,846,280	85,081,933	83,156,395	(1,925,538)	-2.3%
Wages	3,439,047	3,085,000	12,362,203	9,277,203	300.7%
Benefits	65,895,468	63,492,000	63,278,716	(213,284)	-0.3%
Personnel Costs	363,956,621	330,868,000	368,507,184	37,639,184	11.4%
Utilities	3,149,744	3,526,186	5,266,620	1,740,434	49.4%
Scholarships and Fellowships	1,968,983	1,669,000	2,017,646	348,646	20.9%
Less Discounts and Allowances	(1,015,671)	(591,000)	(697,380)	(106,380)	18.0%
Operations, Maintenance and Travel	141,576,830	135,147,817	149,438,365	14,290,548	10.6%
Less Capitalized Portion and Cap Lease/SBITA	(7,153,000)	(7,153,000)	(5,839,033)	1,313,967	-18.4%
Depreciation and Amortization	23,065,000	22,450,000	30,318,679	7,868,679	35.0%
Total Operating Expenses	525,548,507	485,917,003	549,012,081	63,095,078	13.0%
Operating Surplus (Deficit)	(80,560,147)	(79,281,162)	(76,331,098)	2,950,064	-3.7%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	74,032,603	73,851,810	67,932,526	(5,919,284)	-8.0%
Federal/State/Local Nonexchange Sponsored Programs	–	–	–	–	0.0%
Gifts in Support of Operations	7,467,897	10,000,000	7,732,500	(2,267,500)	-22.7%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	81,500,500	83,851,810	75,665,026	(8,186,784)	-9.8%
Operating Surplus (Deficit) and Noncapital Subsidies	940,353	4,570,648	(666,072)	(5,236,720)	-114.6%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	7,394,765	4,379,105	1,754,435	(2,624,670)	-59.9%
Debt Service (Transfers Out) - Interest	(1,457,677)	(2,514,068)	(2,757,036)	(242,968)	9.7%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	5,937,088	1,865,037	(1,002,601)	(2,867,638)	-153.8%
Budget Margin Surplus (Deficit)	$ 6,877,441	6,435,685	(1,668,673)	(8,104,358)	-125.9%
Total Revenues (Excluding State Appropriations CCAP)	$ 533,883,625	494,866,756	550,100,444	55,233,688	11.2%
Total Expenses and Transfers Out (Excluding Principal/Other)	(527,006,184)	(488,431,071)	(551,769,117)	(63,338,046)	13.0%
Budget Margin Surplus (Deficit)	$ 6,877,441	6,435,685	(1,668,673)	(8,104,358)	
Reconciliation to Use of Prior Year Balances					
Depreciation		22,450,000	30,318,679		
Capital Outlay		(5,875,000)	(4,339,033)		
Debt Service (Transfers Out) - Principal		(6,028,841)	(6,095,400)		
Other Budget Transfers Within the Institution		–	(289,823)		
Net Additions to (Uses of) Prior Year Balances		16,981,844	17,925,750		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 33,268,970	30,673,943	29,901,364	(772,579)	-2.5%
Academic Support	21,448,866	19,775,824	33,932,468	14,156,644	71.6%
Research	26,844,038	24,750,165	29,920,273	5,170,108	20.9%
Public Service	–	–	–	–	0.0%
Hospitals and Clinics	385,403,845	355,341,796	387,108,811	31,767,015	8.9%
Institutional Support	16,168,705	14,907,523	20,895,302	5,987,779	40.2%
Student Services	2,487,123	2,293,124	2,938,869	645,745	28.2%
Operations and Maintenance of Plant	15,838,771	14,603,324	12,431,924	(2,171,400)	-14.9%
Scholarships and Fellowships	953,312	1,078,000	1,280,266	202,266	18.8%
Auxiliary Enterprises	69,877	43,304	284,125	240,821	556.1%
Depreciation and Amortization	23,065,000	22,450,000	30,318,679	7,868,679	35.0%
Total Operating Expenses	$ 525,548,507	485,917,003	549,012,081	63,095,078	13.0%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 284,874,506	292,912,337	8,037,831	2.8%
Designated	166,685,445	201,173,468	34,488,023	20.7%
Auxiliary	43,304	104,000	60,696	140.2%
Available University Fund	–	–	–	0.0%
Restricted	26,872,657	38,392,446	11,519,789	42.9%
Unexpended Plant	–	–	–	0.0%
Subtotal - Expenditures (All Funds)	478,475,912	532,582,251	54,106,339	11.3%
Reconciling Adjustments:				
Tuition Discounting	(591,000)	(697,380)	(106,380)	18.0%
Depreciation	22,450,000	30,318,679	7,868,679	35.0%
Capital Outlay	(5,875,000)	(4,339,033)	1,535,967	-26.1%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(6,028,841)	(6,095,400)	(66,559)	1.1%
Total Expenses (Including Transfers for Interest)	$ 488,431,071	551,769,117	63,338,046	13.0%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 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 healthcare 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. The university is developing plans for a new academic building to support the continued growth of the Peter O'Donnell Jr. School of Public Health and to provide a replacement for the existing building for the School of Health Professions. Funding will sustain and expand the critical infrastructure needed to strengthen and advance data-driven public health programs that identify, predict, and mitigate wide-scale health risks. These investments also support the preparation of a highly skilled, interdisciplinary workforce to improve and address complex care needs across North Texas and beyond. Additionally, new seed state funding is accelerating the launch of a Center for Cell and Gene Therapy and is enabling faculty to secure additional competitive external research grants. These investments will help propel a new era of therapies for an array of life-threatening diseases, for which effective treatments are not currently available. In parallel, the Peter O'Donnell Jr. Brain Institute has completed its North Campus expansion, creating the capacity to further advance its research and clinical programs.

In addition to exceptional research and education programs, U.T. Southwestern Medical Center has earned national distinctions for providing patients with the highest-quality care and experience. The steady growth in patient volume continues to necessitate investment in additional capacity. To expand acute care capacity in North Texas, the university is constructing a new pediatric campus in partnership with Children's Health System of Texas. Projected to open in 2031, the 552-bed pediatric hospital, along with outpatient and faculty support buildings, will advance the health of pediatric patients through cutting-edge care, research, and training the next generation of physicians and caregivers. In addition, the university is currently constructing a first-of-its-kind radiation oncology campus in Fort Worth. 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 planning to bring inpatient care, surgical capability, and expanded ambulatory and cancer services to Tarrant County, through a multispecialty ambulatory practice and hospital that will become a pavilion of William P. Clements Jr. University Hospital. In the Southwestern Medical District, the Texas Behavioral Health Center is beginning its phased opening this summer. The first state psychiatric hospital in North Texas – a partnership with the Texas Health and Human Services Commission – includes 292 beds, both civil and forensic, to serve adult and pediatric patients. The new behavioral health center will provide opportunities to develop innovative care models, train a holistic healthcare workforce, and advance research. In all domains, the healthcare 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 academic year: Steven Kimatian, M.D., Chair of the Department of Anesthesiology and Pain Management, Samir M. Parikh, M.D., Chair of the Department of Internal Medicine, Benjamin Chong, M.D., Associate Dean for Medical Student Research, Rory Nicolaides, M.D., Assistant Dean for Undergraduate Clinical Education, Denise Marciano, M.D., Ph.D., Assistant Director for Medical Scientist Training Program (MSTP), and Alex Tatara, M.D., Ph.D., Firm Leader, Medical Scientist Training Program (MSTP), Traci d'Auguste, M.B.A., M.S.H.A., CEO of William P. Clements Jr. University Hospital, Wayne Young, M.B.A., M.Ed., VP and CEO of Texas Behavioral Health Center and Warren D. D'Souza, M.B.A., Ph.D., Chief Artificial Intelligence Officer.

Revenue

The FY 2027 $7.3 billion revenue budget includes an increase of $0.9 billion, or 13.7%, in total revenues and transfers over the FY 2026 budget. Inpatient growth rates have begun to slow as many current facilities are near full capacity; however, outpatient growth rates remain strong. Sponsored research is expected to remain flat, with private grant growth offsetting declines in federal funding.

Expenses

The FY 2027 $7.1 billion expense budget includes an increase of $0.9 billion, or 13.7%, in total expenses and transfers over the FY 2026 budget. While expense growth is primarily driven by volume and revenue growth, the university has been materially impacted by inflationary trends in all costs. 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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 35,198,964	34,330,293	37,924,326	3,594,033	10.5%
Less Discounts and Allowances	(3,000,000)	(3,000,000)	(3,000,000)	–	0.0%
Federal Sponsored Programs	361,788,242	378,430,019	364,164,501	(14,265,518)	-3.8%
State Sponsored Programs	45,470,825	60,236,526	51,928,247	(8,308,279)	-13.8%
Local and Private Sponsored Programs	666,808,877	630,339,957	721,399,671	91,059,714	14.4%
Net Sales and Services of Educational Activities	20,551,461	16,595,376	16,595,376	–	0.0%
Net Sales and Services of Hospital and Clinics	3,447,771,407	3,231,544,483	3,719,115,264	487,570,781	15.1%
Net Professional Fees	1,098,836,248	1,172,316,104	1,198,216,928	25,900,824	2.2%
Net Auxiliary Enterprises	41,250,593	42,843,588	41,600,194	(1,243,394)	-2.9%
Other Operating Revenues	425,893,620	256,668,462	498,198,245	241,529,783	94.1%
Total Operating Revenues	6,140,570,237	5,820,304,808	6,646,142,752	825,837,944	14.2%
Operating Expenses:					
Compensation - Faculty	1,113,604,400	1,085,547,715	1,216,945,232	131,397,517	12.1%
Compensation - Non-Faculty	1,716,292,321	1,658,052,691	1,749,668,562	91,615,871	5.5%
Wages	324,702,279	240,728,457	351,621,180	110,892,723	46.1%
Benefits	941,497,589	811,624,704	972,242,813	160,618,109	19.8%
Personnel Costs	4,096,096,589	3,795,953,567	4,290,477,787	494,524,220	13.0%
Utilities	36,061,977	34,303,903	43,614,056	9,310,153	27.1%
Scholarships and Fellowships	9,337,441	7,852,917	9,856,104	2,003,187	25.5%
Less Discounts and Allowances	(3,000,000)	(3,000,000)	(3,000,000)	–	0.0%
Operations, Maintenance and Travel	2,213,966,318	2,129,591,956	2,481,286,958	351,695,002	16.5%
Less Capitalized Portion and Cap Lease/SBITA	(63,962,691)	(63,962,691)	(66,341,328)	(2,378,637)	3.7%
Depreciation and Amortization	289,634,445	288,984,304	291,410,819	2,426,515	0.8%
Total Operating Expenses	6,578,134,079	6,189,723,956	7,047,304,396	857,580,440	13.9%
Operating Surplus (Deficit)	(437,563,842)	(369,419,148)	(401,161,644)	(31,742,496)	8.6%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	265,719,388	265,718,817	278,974,981	13,256,164	5.0%
Federal/State/Local Nonexchange Sponsored Programs	–	–	–	–	0.0%
Gifts in Support of Operations	94,018,847	75,000,000	80,278,716	5,278,716	7.0%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	359,738,235	340,718,817	359,253,697	18,534,880	5.4%
Operating Surplus (Deficit) and Noncapital Subsidies	(77,825,607)	(28,700,331)	(41,907,947)	(13,207,616)	46.0%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	251,465,339	230,083,001	260,972,277	30,889,276	13.4%
Debt Service (Transfers Out) - Interest	(71,899,118)	(73,560,536)	(72,522,613)	1,037,923	-1.4%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	179,566,221	156,522,465	188,449,664	31,927,199	20.4%
Budget Margin Surplus (Deficit)	$ 101,740,614	127,822,134	146,541,717	18,719,583	14.6%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 6,751,773,811	6,391,106,626	7,266,368,726	875,262,100	13.7%
Total Expenses and Transfers Out (Excluding Principal/Other)	(6,650,033,197)	(6,263,284,492)	(7,119,827,009)	(856,542,517)	13.7%
Budget Margin Surplus (Deficit)	$ 101,740,614	127,822,134	146,541,717	18,719,583	
Reconciliation to Use of Prior Year Balances					
Depreciation		288,984,304	291,410,819		
Capital Outlay		(25,000,000)	(25,000,000)		
Debt Service (Transfers Out) - Principal		(110,804,404)	(108,769,558)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		281,002,034	304,182,978		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 1,764,130,379	1,672,121,958	1,789,977,334	117,855,376	7.0%
Academic Support	127,339,071	108,810,776	130,106,076	21,295,300	19.6%
Research	642,982,695	644,394,057	648,507,635	4,113,578	0.6%
Public Service	22,695,840	25,656,448	24,390,076	(1,266,372)	-4.9%
Hospitals and Clinics	3,409,265,031	3,157,918,307	3,819,902,659	661,984,352	21.0%
Institutional Support	150,843,255	127,140,860	157,424,303	30,283,443	23.8%
Student Services	2,524,891	4,518,989	2,590,301	(1,928,688)	-42.7%
Operations and Maintenance of Plant	108,588,993	105,819,703	114,561,223	8,741,520	8.3%
Scholarships and Fellowships	8,169,181	7,652,917	8,460,044	807,127	10.5%
Auxiliary Enterprises	53,375,143	46,705,637	59,973,926	13,268,289	28.4%
Depreciation and Amortization	288,219,600	288,984,304	291,410,819	2,426,515	0.8%
Total Operating Expenses	$ 6,578,134,079	6,189,723,956	7,047,304,396	857,580,440	13.9%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 293,062,463	296,566,004	3,503,541	1.2%
Designated	5,224,535,861	6,053,289,422	828,753,561	15.9%
Auxiliary	54,276,560	67,157,498	12,880,938	23.7%
Available University Fund	–	–	–	0.0%
Restricted	516,229,708	523,172,824	6,943,116	1.3%
Unexpended Plant	25,000,000	25,000,000	–	0.0%
Subtotal - Expenditures (All Funds)	6,113,104,592	6,965,185,748	852,081,156	13.9%
Reconciling Adjustments:				
Tuition Discounting	(3,000,000)	(3,000,000)	–	0.0%
Depreciation	288,984,304	291,410,819	2,426,515	0.8%
Capital Outlay	(25,000,000)	(25,000,000)	–	0.0%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(110,804,404)	(108,769,558)	2,034,846	-1.8%
Total Expenses (Including Transfers for Interest)	$ 6,263,284,492	7,119,827,009	856,542,517	13.7%

Note: Operating Budget Highlights with a glossary of 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The University of Texas Medical Branch at Galveston is a comprehensive academic health science center dedicated to education, research, patient care, and innovation. U.T. Medical Branch - Galveston encompasses schools of medicine, nursing, health professions, graduate biomedical sciences, and public and population health, supported by a research enterprise and an integrated health system serving the Gulf Coast and beyond.

The FY 2027 budget supports strategic priorities and continued growth. Despite ongoing challenges, including changes in Medicaid Directed Payment Programs, rising employee health benefit costs, and broader inflationary pressures impacting operations, the FY 2027 budget supports the continued delivery of high-value care while maintaining excellence across education, research, innovation, and clinical missions.

The University continues to advance discovery across biomedical, clinical, and population health disciplines, with emphasis on translational science, artificial intelligence, and collaborative research models that accelerate the application of research findings into clinical and public health practice. Strategic investments in research infrastructure, technology transfer, and entrepreneurial initiatives support healthy living and healthy aging research, including brain health, while advancing commercialization and clinical and public health impact.

Ongoing investment in healthcare workforce development at the University is evident in its education and training programs, sustained budget support, and growing national recognition. This includes rankings across multiple graduate health programs in the 2026 U.S. News & World Report Best Graduate Schools listings and prominent patient quality and safety honors from Leapfrog and Vizient.

The FY 2027 budget supports expanded access to clinical care across Clear Lake, League City, and clinics throughout Southeast Texas. The budget supports increased patient volumes across inpatient, surgical, ambulatory, and pharmacy services. Investments in the ambulatory practice will expand capacity, increase access, broaden geographic reach, and support clinical program growth.

Maintaining financial and operational performance across all mission areas remains important to ensure long-term fiscal stability and support a resilient infrastructure. Key initiatives, including revenue cycle optimization and transformation of primary care, are designed to improve operational performance and expand access amid continued specialty care workforce shortages.

Revenue

The FY 2027 $4.0 billion revenue budget includes an increase of $0.3 billion, or 8.0%, in total revenues and transfers over the FY 2026 budget. This growth is primarily attributable to projected increases in patient volume across hospitals and clinics, including $60.0 million in Ambulatory Care, $22.0 million at Clear Lake Hospital, $26.0 million at the Texas Department of Criminal Justice Hospital, and $34.0 million across all other hospitals. Additionally, Correctional Managed Care is projected to increase revenue by $126.0 million. The University anticipates a $13.0 million increase in net professional fees associated with strategic faculty hiring and continued expansion of the practice plan. Contract and Retail Pharmacy operations remain a significant revenue driver, with an expected contribution of an additional $46.9 million in revenue.

Expenses

The FY 2027 $4.0 billion expense budget includes an increase of $0.3 billion, or 7.9%, in total expenses and transfers over the FY 2026 budget. The increase is primarily attributable to higher personnel costs, medical expenses, and pharmaceutical expenses necessary to support anticipated growth in clinical operations and patient volumes. U.T. Medical Branch - Galveston continues to implement cost-containment strategies, including clinical labor productivity monitoring and optimization of clinical capacity, to manage expense growth while supporting patient care volumes.

The University of Texas Medical Branch at Galveston
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 63,027,909	60,253,711	64,859,351	4,605,640	7.6%
Less Discounts and Allowances	(14,044,913)	(5,891,097)	(5,247,559)	643,538	-10.9%
Federal Sponsored Programs	183,842,859	173,658,603	154,435,489	(19,223,114)	-11.1%
State Sponsored Programs	17,000,139	16,058,390	15,956,195	(102,195)	-0.6%
Local and Private Sponsored Programs	122,153,131	115,386,272	122,525,307	7,139,035	6.2%
Net Sales and Services of Educational Activities	15,394,680	17,827,876	16,402,749	(1,425,127)	-8.0%
Net Sales and Services of Hospital and Clinics	2,287,744,404	2,255,417,361	2,477,989,417	222,572,056	9.9%
Net Professional Fees	344,527,046	347,498,811	360,549,157	13,050,346	3.8%
Net Auxiliary Enterprises	14,951,101	15,005,204	15,505,127	499,923	3.3%
Other Operating Revenues	215,500,366	203,291,052	250,324,123	47,033,071	23.1%
Total Operating Revenues	3,250,096,722	3,198,506,183	3,473,299,356	274,793,173	8.6%
Operating Expenses:					
Compensation - Faculty	319,596,002	287,868,171	319,434,710	31,566,539	11.0%
Compensation - Non-Faculty	1,243,320,814	1,184,151,459	1,272,708,487	88,557,028	7.5%
Wages	187,499,517	187,356,707	193,547,428	6,190,721	3.3%
Benefits	526,731,979	550,808,184	612,705,531	61,897,347	11.2%
Personnel Costs	2,277,148,312	2,210,184,521	2,398,396,156	188,211,635	8.5%
Utilities	37,813,559	48,668,795	40,865,735	(7,803,060)	-16.0%
Scholarships and Fellowships	15,918,602	19,672,679	19,717,304	44,625	0.2%
Less Discounts and Allowances	(14,044,913)	(5,891,097)	(5,247,559)	643,538	-10.9%
Operations, Maintenance and Travel	1,370,911,737	1,353,686,447	1,514,005,618	160,319,171	11.8%
Less Capitalized Portion and Cap Lease/SBITA	(180,662,884)	(180,662,884)	(232,470,530)	(51,807,646)	28.7%
Depreciation and Amortization	237,550,388	241,843,588	251,153,355	9,309,767	3.8%
Total Operating Expenses	3,744,634,801	3,687,502,049	3,986,420,079	298,918,030	8.1%
Operating Surplus (Deficit)	(494,538,079)	(488,995,866)	(513,120,723)	(24,124,857)	4.9%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	415,066,710	411,547,900	428,945,673	17,397,773	4.2%
Federal/State/Local Nonexchange Sponsored Programs	1,500,000	1,500,000	1,700,000	200,000	13.3%
Gifts in Support of Operations	7,992,406	6,583,901	6,673,402	89,501	1.4%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	424,559,116	419,631,801	437,319,075	17,687,274	4.2%
Operating Surplus (Deficit) and Noncapital Subsidies	(69,978,963)	(69,364,065)	(75,801,648)	(6,437,583)	9.3%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	89,296,902	85,079,264	88,328,320	3,249,056	3.8%
Debt Service (Transfers Out) - Interest	(40,025,107)	(40,715,569)	(37,728,840)	2,986,729	-7.3%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	49,271,795	44,363,695	50,599,480	6,235,785	14.1%
Budget Margin Surplus (Deficit)	$ (20,707,168)	(25,000,370)	(25,202,168)	(201,798)	0.8%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 3,763,952,740	3,703,217,248	3,998,946,751	295,729,503	8.0%
Total Expenses and Transfers Out (Excluding Principal/Other)	(3,784,659,908)	(3,728,217,618)	(4,024,148,919)	(295,931,301)	7.9%
Budget Margin Surplus (Deficit)	$ (20,707,168)	(25,000,370)	(25,202,168)	(201,798)	
Reconciliation to Use of Prior Year Balances					
Depreciation		241,843,588	251,153,355		
Capital Outlay		(146,568,816)	(200,000,000)		
Debt Service (Transfers Out) - Principal		(114,658,462)	(98,251,537)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		(44,384,060)	(72,300,350)		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 525,194,513	577,105,076	591,156,191	14,051,115	2.4%
Academic Support	91,432,084	97,144,760	97,781,764	637,004	0.7%
Research	167,925,582	144,249,669	150,098,987	5,849,318	4.1%
Public Service	38,125,755	46,822,987	40,773,473	(6,049,514)	-12.9%
Hospitals and Clinics	2,492,714,342	2,397,188,226	2,665,825,775	268,637,549	11.2%
Institutional Support	79,567,081	70,867,238	75,092,773	4,225,535	6.0%
Student Services	10,294,780	10,828,201	11,009,721	181,520	1.7%
Operations and Maintenance of Plant	62,797,638	76,576,887	77,158,743	581,856	0.8%
Scholarships and Fellowships	13,530,119	13,781,582	14,469,745	688,163	5.0%
Auxiliary Enterprises	11,899,552	11,093,835	11,899,552	805,717	7.3%
Depreciation and Amortization	251,153,355	241,843,588	251,153,355	9,309,767	3.8%
Total Operating Expenses	$ 3,744,634,801	3,687,502,049	3,986,420,079	298,918,030	8.1%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 1,447,120,129	1,673,168,862	226,048,733	15.6%
Designated	1,906,761,295	2,000,489,776	93,728,481	4.9%
Auxiliary	12,974,135	14,069,311	1,095,176	8.4%
Available University Fund	–	–	–	0.0%
Restricted	233,991,589	213,307,128	(20,684,461)	-8.8%
Unexpended Plant	152,645,257	175,459,583	22,814,326	14.9%
Subtotal - Expenditures (All Funds)	3,753,492,405	4,076,494,660	323,002,255	8.6%
Reconciling Adjustments:				
Tuition Discounting	(5,891,097)	(5,247,559)	643,538	-10.9%
Depreciation	241,843,588	251,153,355	9,309,767	3.8%
Capital Outlay	(146,568,816)	(200,000,000)	(53,431,184)	36.5%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(114,658,462)	(98,251,537)	16,406,925	-14.3%
Total Expenses (Including Transfers for Interest)	$ 3,728,217,618	4,024,148,919	295,931,301	7.9%

Note: Operating Budget Highlights with a 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, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

The University of Texas Health Science Center at Houston is Houston's Health University and the state's 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 (SOD), public health (SPH), behavioral health sciences (SBHS), the D. Bradley McWilliams School of Biomedical Informatics, the Jane and Robert Cizik School of Nursing (CSON), and the John P. and Kathrine G. McGovern Medical School (MMS). It also includes the John S. Dunn Behavioral Sciences Center (BSC), The University of Texas Harris County Psychiatric Center (HCPC), as well as clinical practices UT Physicians, UT Dentists, and UT Health Services. A new 10-year strategic plan is underway that will support alignment across the University's mission and position the institution for sustained local, statewide, and national impact.

The University continues the strategy of clinical expansion through key recruitments and acquisitions to support the academic and research mission in FY 2027. 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 (HH), as well as physician-generated revenue. In August 2023, the University and MHHS extended the affiliation agreement through 2039 and for the first time signed a multi-year funding agreement which provides continued support and stability for the physician practice plan, MMS, and the Institution.

The University has demonstrated sustained momentum in restricted sponsored activities which is projected to continue in FY 2027, achieving an average annual growth rate of 10.0% over the past three years, becoming a top five university in Texas in terms of total National Institutes of Health (NIH) funding, including top rankings for CSON, SPH, and SOD. In addition to its number one ranking in Texas, CSON rose to number 15 nationally among nursing schools that received NIH research funding, according to Blue Ridge Institute for Medical Research. Enrollment at CSON has declined in the post-COVID-19 pandemic years but is expected to rise as the Institution has made an investment through the Future Nurses Fund and U.T. System has followed suit with the inclusion of health-related institutions as participants in the Promise Plus program. These funds will help address the nursing shortage by providing financial assistance to current and newly admitted students.

The recently established SBHS will welcome its largest class of students in FY 2027 and address the critical shortage of mental health professionals by developing and educating the next generation to meet the needs of Texans. BSC and HCPC serve as the primary training ground for SBHS. The combined facilities include short-and long-term care options, residential treatment, and is the largest academic psychiatric hospital in the country. Demand for inpatient beds remains strong; however, workforce shortages and higher patient acuity have occasionally required hospitals to limit patient census levels.

Revenue

The FY 2027 $3.0 billion revenue budget includes an increase of $0.2 billion, or 7.2%, in total revenues and transfers over the FY 2026 budget. This is driven by MHHS and HH contract increases of approximately $70.0 million and an additional $45.6 million in physician practice plan professional fee revenues due to recruitment efforts, increased faculty productivity, and revenue cycle optimization.

Indirect cost recovery revenues from federal awards are once again budgeted at the full rate for FY 2027 after the uncertainty of FY 2026. Investment income also continues its upward trends due to increasing distribution rates from the Long-Term Fund (endowment and non-endowment) providing additional resources for the University.

Expenses

The FY 2027 $3.0 billion expense budget includes an increase of $0.2 billion, or 6.8%, in total expenses and transfers over the FY 2026 budget. The new public health education and research building, which opened late in FY 2026, contributes to this increase with a full year of operating expenses, depreciation, and debt service now budgeted.

Expenses related to employee benefits are up $62.1 million, or 14.9%, due to increased health care costs and utilization rates. In addition, expense increases in the physician practice plan will be in line with additional practice plan revenues from professional fees, and MHHS and HH contract growth.

The University of Texas Health Science Center at Houston
Operating Budget
Fiscal Year Ending August 31, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 79,974,924	78,893,059	83,429,655	4,536,596	5.8%
Less Discounts and Allowances	(9,558,827)	(9,250,000)	(10,835,487)	(1,585,487)	17.1%
Federal Sponsored Programs	303,305,914	277,285,343	312,242,923	34,957,580	12.6%
State Sponsored Programs	38,756,216	22,262,232	26,998,184	4,735,952	21.3%
Local and Private Sponsored Programs	1,079,287,372	1,078,043,091	1,191,713,493	113,670,402	10.5%
Net Sales and Services of Educational Activities	58,829,031	56,708,606	57,745,621	1,037,015	1.8%
Net Sales and Services of Hospital and Clinics	173,860,450	185,278,194	178,124,489	(7,153,705)	-3.9%
Net Professional Fees	603,711,240	589,627,884	643,690,549	54,062,665	9.2%
Net Auxiliary Enterprises	29,041,729	31,091,615	27,883,177	(3,208,438)	-10.3%
Other Operating Revenues	74,476,793	73,644,666	57,537,355	(16,107,311)	-21.9%
Total Operating Revenues	2,431,684,842	2,383,584,690	2,568,529,959	184,945,269	7.8%
Operating Expenses:					
Compensation - Faculty	854,271,894	891,691,187	902,638,219	10,947,032	1.2%
Compensation - Non-Faculty	902,647,973	926,310,337	936,291,234	9,980,897	1.1%
Wages	28,096,584	25,765,511	26,737,721	972,210	3.8%
Benefits	416,028,952	416,086,449	478,209,225	62,122,776	14.9%
Personnel Costs	2,201,045,403	2,259,853,484	2,343,876,399	84,022,915	3.7%
Utilities	19,241,012	17,379,700	18,192,301	812,601	4.7%
Scholarships and Fellowships	13,051,236	15,754,296	17,677,550	1,923,254	12.2%
Less Discounts and Allowances	(9,558,827)	(9,250,000)	(10,835,487)	(1,585,487)	17.1%
Operations, Maintenance and Travel	549,095,314	486,646,892	560,705,596	74,058,704	15.2%
Less Capitalized Portion and Cap Lease/SBITA	(45,749,441)	(56,854,433)	(48,776,228)	8,078,205	-14.2%
Depreciation and Amortization	110,207,660	100,814,001	123,209,874	22,395,873	22.2%
Total Operating Expenses	2,837,332,357	2,814,343,940	3,004,050,005	189,706,065	6.7%
Operating Surplus (Deficit)	(405,647,515)	(430,759,250)	(435,520,046)	(4,760,796)	1.1%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	283,043,453	282,693,352	287,891,590	5,198,238	1.8%
Federal/State/Local Nonexchange Sponsored Programs	16,089,505	13,013,760	8,582,211	(4,431,549)	-34.1%
Gifts in Support of Operations	30,871,550	16,000,000	25,000,000	9,000,000	56.3%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	6,437,632	6,901,333	463,701	7.2%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	330,004,508	318,144,744	328,375,134	10,230,390	3.2%
Operating Surplus (Deficit) and Noncapital Subsidies	(75,643,007)	(112,614,506)	(107,144,912)	5,469,594	-4.9%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	129,244,261	122,749,084	130,111,763	7,362,679	6.0%
Debt Service (Transfers Out) - Interest	(16,684,797)	(16,818,933)	(19,322,600)	(2,503,667)	14.9%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	112,559,464	105,930,151	110,789,163	4,859,012	4.6%
Budget Margin Surplus (Deficit)	$ 36,916,457	(6,684,355)	3,644,251	10,328,606	-154.5%

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Amount	Percent
Total Revenues (Excluding State Appropriations CCAP)	$ 2,890,933,611	2,824,478,518	3,027,016,856	202,538,338	7.2%
Total Expenses and Transfers Out (Excluding Principal/Other)	(2,854,017,154)	(2,831,162,873)	(3,023,372,605)	(192,209,732)	6.8%
Budget Margin Surplus (Deficit)	$ 36,916,457	(6,684,355)	3,644,251	10,328,606	
Reconciliation to Use of Prior Year Balances					
Depreciation		100,814,001	123,209,874		
Capital Outlay		(26,757,399)	(25,135,160)		
Debt Service (Transfers Out) - Principal		(42,975,105)	(37,718,952)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		24,397,142	64,000,013		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 1,169,044,209	1,286,299,043	1,373,276,419	86,977,376	6.8%
Academic Support	79,948,865	96,438,773	101,697,805	5,259,032	5.5%
Research	405,613,850	345,020,254	359,714,761	14,694,507	4.3%
Public Service	91,407,617	91,153,263	91,556,305	403,042	0.4%
Hospitals and Clinics	773,080,967	711,773,856	764,301,234	52,527,378	7.4%
Institutional Support	118,686,454	97,474,332	98,376,571	902,239	0.9%
Student Services	14,541,850	16,366,964	16,819,606	452,642	2.8%
Operations and Maintenance of Plant	48,389,444	44,256,412	46,111,520	1,855,108	4.2%
Scholarships and Fellowships	3,492,409	6,504,296	6,842,063	337,767	5.2%
Auxiliary Enterprises	22,919,032	18,242,746	22,143,847	3,901,101	21.4%
Depreciation and Amortization	110,207,660	100,814,001	123,209,874	22,395,873	22.2%
Total Operating Expenses	$ 2,837,332,357	2,814,343,940	3,004,050,005	189,706,065	6.7%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 464,212,590	466,294,579	2,081,989	0.4%
Designated	1,848,300,313	1,990,091,044	141,790,731	7.7%
Auxiliary	28,374,490	31,461,796	3,087,306	10.9%
Available University Fund	–	–	–	0.0%
Restricted	468,443,983	486,004,911	17,560,928	3.7%
Unexpended Plant	–	–	–	0.0%
Subtotal - Expenditures (All Funds)	2,809,331,376	2,973,852,330	164,520,954	5.9%
Reconciling Adjustments:				
Tuition Discounting	(9,250,000)	(10,835,487)	(1,585,487)	17.1%
Depreciation	100,814,001	123,209,874	22,395,873	22.2%
Capital Outlay	(26,757,399)	(25,135,160)	1,622,239	-6.1%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(42,975,105)	(37,718,952)	5,256,153	-12.2%
Total Expenses (Including Transfers for Interest)	$ 2,831,162,873	3,023,372,605	192,209,732	6.8%

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

THE UNIVERSITY OF TEXAS
M. D. ANDERSON
CANCER CENTER

The University of Texas M. D. Anderson Cancer Center
Operating Budget Highlights
Fiscal Year Ending August 31, 2027

Introduction - Major Goals Addressed by FY 2027 Budget

U.T.M.D. Anderson Cancer Center's strong financial performance in FY 2026 has been the result of intentional and disciplined stewardship, planning and collaboration. This has positioned the Institution to successfully navigate headwinds, maintain the investments to support its people, patients and Our Strategy, and laid a secure foundation in the development of the FY 2027 budget and long-term financial targets.

The FY 2027 budget is strategically aligned to advance the future of U.T.M.D. Anderson and support the Institution's long-term Financial Plan, including its approach to capital planning. As one of the four pieces of U.T.M.D. Anderson's Strategic Direction, the Financial Plan is integrated with Our Strategy, a comprehensive philanthropic campaign, publicly launched in November 2025, and the Master Facilities Framework, which aims to reimagine the Institution's campuses and expand its geographic reach. Together, these efforts are guided by a dynamic, data-driven approach to achieving the goals outlined in Our Strategy centered on three core themes.

Reach: U.T.M.D. Anderson continues to expand its reach through growth in the Texas Medical Center, Houston-area locations, and expansion into Central Texas. The Institution has partnered with U.T. System and U.T. Austin to advance plans for the U.T. Dell Campus for Advanced Research and Dell Medical Center, which will include U.T.M.D. Anderson. The Institution is continuing to advance a joint venture with Texas Children's with the establishment of Kinder Children's Cancer Center — a world-class pediatric oncology center in Houston, integrating leading care, education, and research with national and international impact. The effort, supported through a historic $150.0 million gift from the Kinder Foundation, began its first phase of operations in April 2026 with a coordinated approach to further transition of patients and pediatric oncology services in FY 2027. New clinical and operational facilities, including two diagnostic imaging centers in Greater Houston, along with a Consolidated Services Center, are scheduled to open next fiscal year. These investments will strengthen strategic reach initiatives and streamline operations across the Houston area.

Breakthroughs: The establishment of Research Focus Areas continues to maximize the impact of U.T.M.D. Anderson's science. Efforts are underway to optimize the clinical research program through strategic portfolio management, advancing operations with artificial intelligence (AI)-supported patient pre-screening tools. The research enterprise will build upon this work and focus on standardizing processes to strengthen financial stewardship. These efforts, along with the Institution's presence at national and international conferences, are intended to further enable efficient, high-quality research and sustain U.T.M.D. Anderson's leadership in oncology research.

Value: U.T.M.D. Anderson continues to set national benchmarks in quality and safety, earning a five-star Vizient ranking for five consecutive years. Building on this foundation, the institution remains focused on expanding patient access and navigation, improving retention and achieving top-decile performance across clinical and satisfaction metrics. The institution's Patient Navigation program supports 10 service lines, reaching more than 65% of new patients, with coverage expected to expand to 100% by early FY 2027. A recently launched comprehensive patient access initiative will ensure local and Austin untreated patients are seen within 72 hours of referral, reinforcing U.T.M.D .Anderson's commitment to timely, high-quality care.

U.T.M.D. Anderson is embracing and leveraging AI as a comprehensive, internal effort to empower employee performance and continue to drive the progress of Our Strategy. The Institution is also preparing to invest in a modern Enterprise Resource Planning system, supported by initiatives to streamline internal processes and optimize skillsets to enable more cohesive, efficient ways of working.

Revenue

The FY 2027 $10.4 billion revenue budget includes an increase of $1.0 billion, or 11.0%, in total revenues and transfers over the FY 2026 budget. This growth is driven by continued expansion of providers in strategic areas, productivity gains and the ongoing ramp-up of clinical capacity. The budget incorporates an overall 4.25% price increase reflecting market conditions and higher deduction rates resulting from current trends and changes in payer mix. Grants and contracts are budgeted at FY 2026 levels for FY 2027.

Expenses

The FY 2027 $9.3 billion expense budget includes an increase of $1.0 billion, or 12.1%, in total expenses and transfers over the FY 2026 budget. Group insurance employer premiums are expected to increase by 20.0%. The FY 2027 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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Revenues:					
Tuition and Fees	$ 1,882,579	1,917,729	1,917,729	–	0.0%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	–	0.0%
Federal Sponsored Programs	318,000,000	321,871,759	318,000,000	(3,871,759)	-1.2%
State Sponsored Programs	44,313,752	43,338,840	44,311,683	972,843	2.2%
Local and Private Sponsored Programs	338,500,000	333,100,872	338,500,000	5,399,128	1.6%
Net Sales and Services of Educational Activities	2,500,000	2,500,000	2,500,000	–	0.0%
Net Sales and Services of Hospital and Clinics	7,327,000,676	7,074,042,551	8,031,563,712	957,521,161	13.5%
Net Professional Fees	553,598,822	540,982,400	599,807,000	58,824,600	10.9%
Net Auxiliary Enterprises	49,835,539	49,465,288	51,828,961	2,363,673	4.8%
Other Operating Revenues	94,000,000	100,000,000	94,000,000	(6,000,000)	-6.0%
Total Operating Revenues	8,729,621,368	8,467,209,439	9,482,419,085	1,015,209,646	12.0%
Operating Expenses:					
Compensation - Faculty	1,146,008,880	1,128,001,600	1,230,545,350	102,543,750	9.1%
Compensation - Non-Faculty	2,474,502,477	2,342,855,221	2,666,255,759	323,400,538	13.8%
Wages	68,643,980	68,218,564	70,891,249	2,672,685	3.9%
Benefits	973,066,744	878,904,326	1,123,902,702	244,998,376	27.9%
Personnel Costs	4,662,222,081	4,417,979,711	5,091,595,060	673,615,349	15.2%
Utilities	53,716,072	55,533,034	56,439,386	906,352	1.6%
Scholarships and Fellowships	2,683,043	2,715,226	2,803,521	88,295	3.3%
Less Discounts and Allowances	(10,000)	(10,000)	(10,000)	–	0.0%
Operations, Maintenance and Travel	4,633,098,935	4,720,560,649	5,200,582,277	480,021,628	10.2%
Less Capitalized Portion and Cap Lease/SBITA	(1,355,000,000)	(1,305,484,756)	(1,506,704,900)	(201,220,144)	15.4%
Depreciation and Amortization	417,911,237	406,518,452	448,287,080	41,768,628	10.3%
Total Operating Expenses	8,414,621,368	8,297,812,316	9,292,992,424	995,180,108	12.0%
Operating Surplus (Deficit)	315,000,000	169,397,123	189,426,661	20,029,538	11.8%
Noncapital Subsidies:					
State Appropriations (Including from Other State Agency)	257,951,306	257,951,306	258,510,665	559,359	0.2%
Federal/State/Local Nonexchange Sponsored Programs	3,593,192	–	1,000,000	1,000,000	100.0%
Gifts in Support of Operations	157,857,975	160,000,000	150,000,000	(10,000,000)	-6.3%
AUF Transfers for Operations (U.T. System and U.T. Austin)	–	–	–	–	0.0%
Non-Mandatory Transfers In for Operations	–	–	–	–	0.0%
Non-Mandatory (Transfers Out) for Operations	–	–	–	–	0.0%
Total Noncapital Subsidies	419,402,473	417,951,306	409,510,665	(8,440,641)	-2.0%
Operating Surplus (Deficit) and Noncapital Subsidies	734,402,473	587,348,429	598,937,326	11,588,897	2.0%
Other Nonoperating:					
State Appropriations (CCAP)	–	–	–	–	0.0%
Net Investment Income	531,809,702	490,000,000	510,000,000	20,000,000	4.1%
Debt Service (Transfers Out) - Interest	(40,906,176)	(40,720,507)	(51,989,646)	(11,269,139)	27.7%
Other Nonoperating Revenues	–	–	–	–	0.0%
Total Other Nonoperating	490,903,526	449,279,493	458,010,354	8,730,861	1.9%
Budget Margin Surplus (Deficit)	$ 1,225,305,999	1,036,627,922	1,056,947,680	20,319,758	2.0%

Total Revenues (Excluding State Appropriations CCAP)	$ 9,680,833,543	9,375,160,745	10,401,929,750	1,026,769,005	11.0%
Total Expenses and Transfers Out (Excluding Principal/Other)	(8,455,527,544)	(8,338,532,823)	(9,344,982,070)	(1,006,449,247)	12.1%
Budget Margin Surplus (Deficit)	$ 1,225,305,999	1,036,627,922	1,056,947,680	20,319,758	
Reconciliation to Use of Prior Year Balances					
Depreciation		406,518,452	448,287,080		
Capital Outlay		(1,248,357,110)	(1,465,389,611)		
Debt Service (Transfers Out) - Principal		(107,970,899)	(75,749,750)		
Other Budget Transfers Within the Institution		–	–		
Net Additions to (Uses of) Prior Year Balances		86,818,365	(35,904,601)		

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, 2027

	FY 2026 Projected	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Operating Expenses:					
Instruction	$ 117,280,938	98,770,840	122,047,772	23,276,932	23.6%
Academic Support	211,916,493	198,527,899	220,368,353	21,840,454	11.0%
Research	1,229,713,345	1,170,721,049	1,312,085,537	141,364,488	12.1%
Public Service	31,781,659	30,858,172	32,735,108	1,876,936	6.1%
Hospitals and Clinics	5,835,501,137	5,822,463,834	6,589,262,299	766,798,465	13.2%
Institutional Support	210,282,911	230,557,333	207,495,207	(23,062,126)	-10.0%
Student Services	3,169,430	3,084,664	3,360,867	276,203	9.0%
Operations and Maintenance of Plant	313,199,305	301,566,127	317,188,934	15,622,807	5.2%
Scholarships and Fellowships	3,993,074	3,208,946	4,118,037	909,091	28.3%
Auxiliary Enterprises	39,871,839	31,535,000	36,043,230	4,508,230	14.3%
Depreciation and Amortization	417,911,237	406,518,452	448,287,080	41,768,628	10.3%
Total Operating Expenses	$ 8,414,621,368	8,297,812,316	9,292,992,424	995,180,108	12.0%

Operating Budget - Expenditures by Fund
Fiscal Year Ending August 31, 2027

	FY 2026 Adjusted Budget	FY 2027 Operating Budget	Budget Increases (Decreases) From 2026 to 2027 Amount	Percent
Educational and General	$ 6,137,154,428	6,851,162,246	714,007,818	11.6%
Designated	1,154,613,789	1,372,376,015	217,762,226	18.9%
Auxiliary	39,886,186	46,818,276	6,932,090	17.4%
Available University Fund	–	–	–	0.0%
Restricted	708,340,867	702,098,203	(6,242,664)	-0.9%
Unexpended Plant	1,248,357,110	1,465,389,611	217,032,501	17.4%
Subtotal - Expenditures (All Funds)	9,288,352,380	10,437,844,351	1,149,491,971	12.4%
Reconciling Adjustments:				
Tuition Discounting	(10,000)	(10,000)	–	0.0%
Depreciation	406,518,452	448,287,080	41,768,628	10.3%
Capital Outlay	(1,248,357,110)	(1,465,389,611)	(217,032,501)	17.4%
Trsfrs for Debt Svc-Principal & Lease/SBITA Prin	(107,970,899)	(75,749,750)	32,221,149	-29.8%
Total Expenses (Including Transfers for Interest)	$ 8,338,532,823	9,344,982,070	1,006,449,247	12.1%

Note: Operating Budget Highlights with a glossary of 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 2026	Proposed FY 2027
LERR	$ 82,007,700	$ 82,007,700
LERR - One-time	—	25,823,000
STARs	32,992,300	32,992,300
TOTAL	$ 115,000,000	$ 140,823,000

Permanent University Fund (PUF) Bond Proceeds to the institutions and U.T. System Administration in the amount of $82,007,700 to fund Library, Equipment, Repair and Rehabilitation (LERR) Projects for Fiscal Year FY 2027 and $25,823,000 as an additional one-time LERR allocation in lieu of student technology and library fee increases.

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 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 Allocations History		
		FY 2004 - FY 2026
Academic Institutions	$	358,850,000
Health Institutions		291,742,300
TOTAL	**$**	**650,592,300**

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 renovation 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, 2027

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. Appointments, promotions, and compensation changes involving the Chief Administrative Officers (Regents' Rules 20101, 20201, 20202, and 20203).

    b. New contracts or contract amendments affecting compensation involving athletic directors or coaches whose total annual compensation equals or exceeds the amounts specified by Regents' Rule 10501 Section 3.1.

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

    d. 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 2.1.1 during the year and who are not subject to B.1.d or B.1.f (Regents' Rules 10501 and 20204).

    e. 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).

    f. 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.

    g. 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 (Regents' Rule 20501)..

    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.d, B.1.e, or B.1.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 3.1, 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, or B.2.d (Regents Rule 20204).

    f. Appointments and promotions involving administrative and professional personnel reporting directly to the president who are not subject to another provision specified within Sections B.1 or B.2 of these Rules.

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 (Regents' Rule 20501).

   e. Transactions involving all other personnel except those specified by another provision within these Rules.

   f. 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."

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 to 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.1f and B.1g – 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.1f and B.1g – 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.1g and B.1g – 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.1f and B.1g – 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 Plan 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

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

For Fiscal Year Ending August 31, 2027

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 members' 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, 2027

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* for the governance of 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 24 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 24 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 with the exception of D.2 and D.3 which are effective only for FY 2027 and future years.

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. Regents' Rule 80301 defines Major Projects.

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, 2027

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.

B. 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.*

C. 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 the Chief Financial Officer.

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.

C. 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 these assets 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.

D. 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.