
AVAILABLE UNIVERSITY FUND REPORT

December 2025



Prepared by

The University of Texas System

Office of the Chief Financial Officer

Report to the Legislature and Governor

Pursuant to Rider No. 5(a) to Available University Fund Appropriation

SB 1, 89th Legislature, Regular Session

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RIDER NO. 5(A) TO AVAILABLE UNIVERSITY FUND APPROPRIATION

The text of Rider No. 5(a) to the Available University Fund Appropriation in Senate Bill 1, 89th Legislature, Regular Session, is as follows:

“Reporting.

a. The University of Texas System Board of Regents and the Texas A&M University System Board of Regents shall report to the Legislature and the Governor no later than December 1 of each year the uses of the Available University Fund (AUF) for each system component and for the system office operations for the two previous fiscal years, the current fiscal year, and two future fiscal years (projected). Each report shall contain detailed information on the following:

- (1) debt service allocations, by component;
- (2) bond proceeds allocations, by component;
- (3) excellence allocations, by component or system office, and their purposes;
- (4) Available University Fund income, interest, beginning-and-end-of-year balances; and
- (5) the rationale used by the respective boards to distribute AUF funds.”

AVAILABLE UNIVERSITY FUND

RATIONALE FOR DISTRIBUTION FROM PERMANENT UNIVERSITY FUND

The *Texas Constitution* defines the Available University Fund (AUF) as consisting of the distributions made to it from the total return on all investment assets of the Permanent University Fund (PUF), including the net income attributable to the surface of PUF land. The *Texas Constitution* authorizes The University of Texas System (U.T. System) Board of Regents (Board of Regents) to determine the amount of distributions to the AUF from the PUF in a manner intended to provide the AUF with a stable and predictable stream of annual distributions over time, as well as to maintain the purchasing power of both the PUF investments and annual AUF distributions. Deposits credited to the AUF are administered by the Texas Comptroller of Public Accounts and, along with other funds of the State of Texas, are invested in accordance with State law.

The *Texas Constitution* further limits the discretion of the Board of Regents to determine the amount of PUF distributions in any given year by requiring satisfaction of three tests: 1) PUF distributions to the AUF must not be less than the amount needed to pay the principal and interest due and owing in that fiscal year on issued PUF bonds and notes; 2) PUF distributions to the AUF cannot increase year to year if the purchasing power of PUF investments has not been preserved over a rolling 10-year period; and 3) annual distributions from the PUF to the AUF cannot exceed seven percent of the average net fair market value of PUF investment assets as determined by the Board of Regents. The only exception to these provisions is that distributions must be sufficient to meet annual debt service requirements on PUF bonds and notes.

The Board of Regents approved a distribution of \$2,229,795,000 from the PUF to the AUF for the current fiscal year ending August 31, 2026, which satisfies the constitutional tests (see [Appendix A](#)). The Board of Regents has established Board of Regents' *Rules and Regulations*, [Rule 80303](#) (Regents' Rule 80303) on "Uses of the Available University Fund." Regents' Rule 80303 states, "Unless otherwise approved by the Board of Regents or prohibited by the *Texas Constitution*, the default PUF distribution shall be 7.0% of the trailing 20-quarter average of the net asset value of the PUF for the quarter ending February of each year."

Table 1 presents actual results for the AUF for the prior two fiscal years, budget for the current year and projected results for the two future years. Projected annual PUF distributions for future years are based on a 7% distribution.

Table 1

THE UNIVERSITY OF TEXAS SYSTEM AVAILABLE UNIVERSITY FUND FY 2024 – FY 2028		
	Actual FY 2024	Actual FY 2025
Income and PUF Distributions		
Divisible with Texas A&M University System		
PUF Distributions	\$1,870,475,000	\$ 1,524,925,000
Surface and Other Income	126,631,233	142,603,853
Divisible Expenses	<u>(2,054,998)</u>	<u>(1,459,059)</u>
Net Divisible Income and Distributions	1,995,051,235	1,666,069,793
Less: Texas A&M University System Share (1/3rd)	<u>(665,017,078)</u>	<u>(555,356,598)</u>
U.T. System Share (2/3rds)	1,330,034,157	1,110,713,195
AUF Interest Income	<u>54,206,709</u>	<u>63,652,934</u>
Income and Distributions Available to the U.T. System	<u>1,384,240,865</u>	<u>1,174,366,129</u>
Transfers/Expenditures		
Debt Service on PUF Bonds	(342,547,511)	(396,043,885)
U.T. System Administration:		
Direct Campus Support	(71,518,345)	(136,396,700)
System Administration	(58,670,988)	(61,015,200)
Capital Project Reserve	(308,453,000)	-
U.T. System Initiatives	(67,045,000)	(70,000,000)
Board of Regents Directed Activities	-	-
U.T. Austin:		
Program Enrichment	(522,975,000)	(522,975,000)
Systemwide Technology and Telecommunications	(1,992,000)	(1,992,000)
Other U.T. Austin Support	<u>-</u>	<u>-</u>
Total Transfers/Expenditures	<u>(1,373,201,844)</u>	<u>(1,188,422,785)</u>
Net Surplus/ (Deficit)	11,039,021	(14,056,655)
Net Assets – Beginning of Year	<u>150,303,156</u>	<u>161,342,177</u>
Net Assets – End of Year	<u>\$ 161,342,177</u>	<u>\$ 147,285,522</u>
Note: FY 2026 Budget and FY 2027-2028 Projections are subject to change due to market conditions and unforeseen emergencies or opportunities.		
Source: U.T. System Administration Financial Statements, Annual Operating Budget, and projections from the U.T. System Office of Finance.		

As of 12.01.2025

Table 1 (Continued)

Budgeted FY 2026	Projected FY 2027	Projected FY 2028
\$ 2,229,795,000	\$ 2,443,615,000	\$ 2,591,520,000
130,000,000	114,885,590	131,926,477
<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>(2,100,000)</u>
2,357,695,000	2,556,400,590	2,721,346,477
(785,898,334)	(852,133,530)	(907,115,492)
1,571,796,666	1,704,267,060	1,814,230,985
<u>52,867,000</u>	<u>49,807,000</u>	<u>54,382,000</u>
<u>1,624,663,666</u>	<u>1,754,074,060</u>	<u>1,868,612,985</u>
(404,995,866)	(514,607,919)	(566,344,929)
(107,000,000)	(112,350,000)	(117,967,500)
(66,024,403)	(69,325,600)	(72,791,900)
-	-	-
(65,000,000)	(95,000,000)	(85,443,800)
(390,457,785)	(373,743,580)	(462,509,485)
(533,975,000)	(533,975,000)	(533,975,000)
(1,992,000)	(1,992,000)	(1,992,000)
<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,569,445,054)</u>	<u>(1,700,994,099)</u>	<u>(1,841,024,614)</u>
55,218,612	53,079,961	27,588,370
<u>147,285,522</u>	<u>202,504,134</u>	<u>255,584,095</u>
<u>\$ 202,504,134</u>	<u>\$ 255,584,095</u>	<u>\$ 283,172,465</u>

As of 12.01.2025

USES OF THE AVAILABLE UNIVERSITY FUND BY U.T. SYSTEM

The AUF is used for four primary purposes:

- (1) to pay interest and principal due on PUF bonds,
- (2) to provide for support and maintenance of U.T. System Administration,
- (3) to provide for support and maintenance of U.T. Austin, and
- (4) to fund special U.T. System initiatives.

PUF Bond Debt Service

Bonds and notes supported by income generated by the PUF are periodically issued by the Board of Regents to finance land, capital improvements, major repairs and rehabilitation, equipment, and library books or materials for U.T. System Administration and all U.T. System institutions. U.T. System institutions eligible for PUF bond funding, as specified by the *Texas Constitution*, are:

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

Proceeds of PUF bonds or notes may not be used for purposes related to student housing, intercollegiate athletics, or auxiliary enterprises.

Capital improvement needs of the institutions are extensively evaluated on an ongoing basis and incorporated in a six-year Capital Improvement Program (CIP). The general policies applicable to the formulation of the CIP are illustrated in [Appendix B](#).

Issuance of PUF bonds for capital improvements reflects the assessments made in the CIP process, the availability of other resources, and the projected availability of AUF funds to finance the bonds in conformance with the Regents' Rule 80303 (see [Appendix C](#) for a discussion of this rule).

The first and primary use of AUF funds authorized by the *Texas Constitution* is to service the PUF-backed debt discussed above. [Appendix D](#) provides a history of the actual U.T. System PUF Bond Proceeds allocations to each institution through FY 2025 as well as projected allocations through FY 2028. While U.T. System Administration pays all PUF debt service directly from the AUF, [Appendix E](#) provides estimates of PUF debt service attributable to each institution for FY 2024 through FY 2028.

U.T. System Administration

A second use of the AUF is for support and maintenance of U.T. System Administration. Chapter 65 of the *Texas Education Code* authorizes “oversight and coordination of the activities of the system and each component institution within the system.” The use of these funds is further described in [Appendix F](#).

Program Enrichment (Excellence) Funds – U.T. Austin

Pursuant to the terms of the *Texas Constitution*, U.T. Austin is the only U.T. System institution other than U.T. System Administration eligible to directly receive resources from the AUF for support and maintenance purposes. The Board of Regents considers Regents’ Rule 80303 in its approval of the allocation to U.T. Austin.

U.T. Austin depends on program enrichment funding from the AUF for needs such as library enhancement; enhancement of academic department operations; specialized science, engineering, and computing equipment; scholarships and fellowships; and support of special units. These special units conduct research, disseminate research and scholarship information to the general public, and provide public service. Beginning in FY 2018, this allocation includes support for U.T. Austin Dell Medical School. [Appendix G](#) further describes the use of the AUF transfers to U.T. Austin for program enrichment and other purposes.

Other Support – U.T. Austin

In addition to program enrichment, the Board of Regents may elect to make additional support allocations to U.T. Austin.

U.T. System Initiatives

The AUF is used to support operational programs at U.T. System Administration and various strategic priorities and initiatives undertaken by the Board of Regents, all of which benefit U.T. System institutions and students. As with the many operational programs provided by U.T. System Administration, each of the initiatives either provides a service across a broad number of institutional campuses or provides oversight and coordination of activities that benefit a broad number of institutions and the students of those institutions. In addition to a review by U.T. System Administration staff, the Board of Regents makes a determination that the system initiatives represent an appropriate use of the AUF and meet the applicable constitutional standards.

If there are any System Initiatives identified, U.T. System provides advanced 30-day notification to the Legislative Budget Board prior to the Board of Regents taking action as required by Rider 7 of the AUF appropriation within the *General Appropriations Act*.

For FY 2024, approved support allocations to U.T. System Administration included:

- \$55 million for the Regents' Research Excellence Program (RREP) to support faculty and post-doctoral research through FY 2026. RREP is intended to accelerate national research prominence and the state's economy and to enhance the U.T. System's global research competitiveness. The current allocation is anticipated to be utilized through FY 2026. Funding is expected to be recurring beginning in FY 2027 once the program is fully implemented;
- \$11.35 million for the extension of the cooperative higher education and research agreement with the the Mexican Ministry of Science, Humanities, Technology and Innovation (SECIHTI), formerly the National Council of Humanities, Science and Technology or CONAHCYT. The programs supported through this agreement include Mexican PhD student education at U.T. System institutions, exchange of postdoctoral fellows, exchange of non-degree students and faculty, and collaborative research projects. The additional funding is expected to provide program and administration support through FY 2030; and,

- \$695,000 to support the U.T. System Legislative Fellowship Program during the 89th Texas Legislative Session. The program, coordinated by U.T. System Administration, serves students across U.T. System institutions who intern in legislative offices, committees, and state agencies, elevating the reputation of the U.T. System and its campuses while providing students with valuable leadership and professional experience.

For FY 2025, approved support allocations to U.T. System Administration include:

- \$25 million for the Regents' Strategic Research Fund (RSRF) to further the goals of the RREP. The RSRF, will provide support required to continue to develop capabilities that align with current or emerging state or federal priorities, advance research programs from prominence to preeminence, and support collaborative engagement with industry and agencies, while enhancing the competitiveness of Texas and its research universities. This program, in combination with other investment funds, ensures that the U.T. System and U.T. institutions achieve national research prominence at the highest levels, in areas of critical need and importance, and continue to help drive the state's innovation economy.
- Up to \$35 million to supplement the Promise Plus scholarship program support at U.T. System Administration for eligible resident undergraduate students at U.T. academic institutions other than U.T. Austin in furtherance of the U.T. System Administration's responsibility to provide oversight and coordination of the activities of the U.T. System; and,
- \$10 million from the AUF to support the University of Texas Research, Engineering, and Application Laboratory for Healthcare Artificial Intelligence (UT-REAL-Health-AI) initiative, a new Systemwide collaboration to facilitate building an artificial intelligence (AI) infrastructure. Goals of this activity include standardization and best practices for health systems across the state related to AI, development of new AI tools, and prevention of care disparities resulting from AI by ensuring access for all health systems to the capabilities of UT-REAL-Health-AI.

For FY 2026, approved support allocations to U.T. System Administration include:

- \$30 million from the AUF to coordinate and support combat casualty research by U.T. System institutions as part of the larger TEXAS SHIELD (Surgical, Hemorrhage, and Intervention-Enabled Logistics and Decision-making) Consortium contingent upon receiving federal funding to support this effort from the U. S. Department of Defense through the Defense Advanced Research Projects Agency.

Other Support – U.T. System

In August 2024, the Board of Regents set aside \$308.45 million from the U.T. System share of the special one-time supplemental AUF allocation made by the Board of Regents in November 2023 for future capital projects uses.

The Board of Regents has not immediately allocated all expected AUF funds available through the FY 2026 annual budget process. Rather, funds are reserved for future activities with the use directed by the Board of Regents. Proposed uses will fulfill the education, healthcare, research and public service missions of the U.T. System through such things as additional Direct Campus Support, new or enhanced system initiatives, and additional support and maintenance at U.T. Austin and U.T. System Administration.

Appendices

APPENDIX A – PERMANENT UNIVERSITY FUND DISTRIBUTION TO THE AVAILABLE UNIVERSITY FUND FOR FY 2025

The Board of Regents approved a distribution of \$2,229,795,000 for FY 2026. Article VII, Section 18 of the Texas *Constitution* provides that the Board of Regents will determine the annual distribution from the PUF to the AUF and requires that the amount of any distribution to the AUF be determined by the Board of Regents in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The *Constitution* further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests (based on information available at the time of approval):

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$2,229,795,000 is substantially greater than PUF bond debt service of \$664,180,000 projected for FY 2026.

System	Debt Service
U.T.	\$441,880,000
TAMU	\$222,300,000
Total	\$664,180,000

Sources: U.T. System Office of Finance

Texas A&M University System Office of Treasury Services

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2025, was 4.86 percent, which indicates that the purchasing power test was met.

Annual Average	Percent
Rate of Total Return, Net of Investment Manager Fees	8.01%
Mineral Interest Receipts	4.55%
Expense Rate ¹	(0.19%)
Inflation Rate	(3.12%)
Distribution Rate	(4.39%)
Net Real Return	4.86%

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

APPENDIX A – PERMANENT UNIVERSITY FUND DISTRIBUTION TO THE AVAILABLE UNIVERSITY FUND FOR FY 2026 (CONTINUED)

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

Value of PUF Investments ¹	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$31,854,236,801	\$2,229,795,000	7.00%	7.00%

¹Source: UTIMCO

APPENDIX B – CAPITAL IMPROVEMENT PROGRAM – GENERAL POLICIES

U.T. System Board of Regents' *Rules and Regulations*, [Rule 80301](#) establishes the Capital Improvement Program (CIP). The CIP, which details the U.T. System's long-range plan to preserve and enhance facility assets, is a six-year projection of major new construction and repair and rehabilitation projects to be implemented and funded from institution and Systemwide revenue sources. The CIP is a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs and is subject to modification at any Board of Regents' meeting. Candidate projects may be routinely added to the CIP, and project information such as funding sources, project cost, and delivery dates can routinely be revised.

The Board of Regents has established criteria for adding projects to the CIP specifically related to appropriating funds from the AUF or from PUF bond proceeds for those projects. In evaluating the assignment of AUF or PUF funding to a project, the following justification criteria documented in Regents' Rule 80303 are considered:

- (1) consistency with institution's mission;
- (2) project need;
- (3) unique opportunity;
- (4) matching funds/leverage;
- (5) cost effectiveness;
- (6) state of existing facility condition; and
- (7) other available funding sources.

APPENDIX C – U.T. SYSTEM BOARD OF REGENTS’ RULE 80303 ON “USES OF AVAILABLE UNIVERSITY FUND”

Regents’ Rule 80303 establishes procedures for the approval of AUF or PUF-funded projects, criteria for project selection, minimum debt service coverage, and a minimum reserve balance. The rule specifies:

“No project will be recommended for approval, if in any of the forecasted years the required appropriations from AUF or PUF bond proceeds would cause:

- (a) the forecasted AUF expenditures for program enrichment at U.T. Austin to fall below the previously approved percentage of the sum of the projected U.T. System share of the net divisible AUF annual income and interest income on AUF balances [subject to the limits imposed by (b) and (c) below];
- (b) debt service coverage to be less than 1.50:1.00; and
- (c) the forecasted end-of-year AUF balance to be less than \$50 million.”

PUF Bond Ratings

In late 1997 and 1998, the three major rating agencies that rate PUF debt (Moody’s, Standard & Poor’s, and Fitch) assigned to the PUF outstanding bonds the highest ratings of Aaa, AAA and AAA, respectively. These ratings continue to be reaffirmed and were most recently reaffirmed in 2025 by each credit rating agency.

In its February 2025 report, Moody’s Investors Service reaffirmed The University of Texas System’s long-term Aaa rating, stating “The stable outlook for PUF debt reflects strong coverage by pledged revenues, constitutional limitations on additional PUF debt issuance and spending and the fund’s diversified asset allocation. It also incorporates strong investment oversight provided by The University of Texas Management Company (UTIMCO).”

Standard & Poor’s reaffirmed its AAA long-term rating in its February 2025 report, citing the absolute size of the PUF, the dedicated nature of the PUF supporting the U.T. and Texas A&M systems, the “robust” debt service coverage for PUF bonds and notes, and the “strong oversight and capable asset management by UT/Texas A&M Investment Management Co. (UTIMCO).”

Fitch reaffirmed its AAA rating on outstanding U.T. System PUF debt in February 2025 with a stable outlook, stating “The ‘AAA’ rating is supported by the PUF’s highly diversified investment holdings...” and that “Credit risks are minimal due to Texas state constitutional debt limits and resulting strong debt service coverage.”

APPENDIX C – U.T. SYSTEM BOARD OF REGENTS’ RULE 80303 ON “USES OF AVAILABLE UNIVERSITY FUND” (CONTINUED)

The Board of Regents expects management to implement policies that will help U.T. System continue to maintain the highest possible credit ratings while pursuing its mission, thereby allowing debt to be issued at the lowest possible rates.

APPENDIX D – ANALYSIS OF PERMANENT UNIVERSITY FUND BONDS ALLOCATIONS

	Fiscal Years 1932-2023	Fiscal Year 2024	Fiscal Year 2025	SUBTOTAL	Estimated FY 2026	Est. FY 2027	Est. FY 2028	TOTAL
UT System	389,085,214	13,455,207	7,708,252	410,248,673	34,837,700	-	-	445,086,373
UT Arlington	406,562,595	77,136,695	17,491,812	501,191,102	140,590,145	-	-	641,781,247
UT Austin	1,334,431,446	35,405,677	5,997,416	1,375,834,538	100,000,000	-	-	1,475,834,538
UT Dallas	602,258,956	46,207,785	6,189,221	654,655,961	204,478,034	-	-	859,133,995
UT El Paso	506,253,463	4,597,642	8,267,663	519,118,769	131,501,038	-	-	650,619,807
UT Permian Basin	112,912,796	36,167,672	2,821,346	151,901,815	36,122,124	-	-	188,023,939
UT Rio Grande Valley	354,744,573	3,548,345	4,913,075	363,205,993	143,535,691	-	-	506,741,684
UT San Antonio	493,930,327	3,713,529	7,461,857	505,105,713	100,367,505	-	-	605,473,218
Stephen F. Austin	-	50,000,000	39,998,960	89,998,960	52,350,000	-	-	142,348,960
UT Tyler	157,459,613	42,976,483	2,862,524	203,298,620	24,537,763	-	-	227,836,383
UT Southwestern	603,842,898	44,258,679	2,399,755	650,501,332	100,790,000	-	-	751,291,332
UTMB Galveston	286,865,906	13,039,613	38,909,270	338,814,789	67,610,000	-	-	406,424,789
UTHSC Houston	410,036,441	5,822,702	5,843,108	421,702,251	74,720,000	-	-	496,422,251
UTHSC San Antonio	700,818,379	14,400,000	4,700,000	719,918,379	102,140,000	-	-	822,058,379
UT MD Anderson	328,816,150	5,787,271	100,000	334,703,420	89,250,000	-	-	423,953,420
UTHSC Tyler	358,004,245	987,035	1,838,220	360,829,500	15,000,000	-	-	375,829,500
TOTAL ALL INSTITUTIONS	7,046,023,000	397,504,335	157,502,479	7,601,029,814	1,417,830,000	-	-	9,018,859,814

As of 12.01.2025

Note: Estimates for FY 2026 include Library, Equipment, Repair, and Rehabilitation (LERR) and Faculty STARS projects and other PUF allocations approved through November 2025.

APPENDIX E – ANALYSIS OF ESTIMATED PERMANENT UNIVERSITY FUND BOND DEBT SERVICE

INSTITUTION	FISCAL YEAR				
	2024	2025	2026	2027	2028
UT System Administration	\$ 21,906,838	22,823,168	20,013,610	24,973,026	29,801,863
UT Arlington	22,309,774	26,220,937	29,608,142	39,165,459	40,567,180
UT Austin	56,569,545	64,100,954	58,076,725	72,858,503	76,993,067
UT Dallas	31,259,413	35,246,979	40,021,739	52,878,353	57,597,260
UT El Paso	22,513,088	25,721,356	28,692,484	37,100,163	41,844,678
UT Permian Basin	7,887,098	9,101,477	9,578,358	12,597,154	14,253,862
UT Rio Grande Valley	22,388,834	25,983,145	29,892,551	40,086,785	45,610,543
UT San Antonio	20,484,013	23,423,093	25,046,314	29,699,560	33,555,299
Stephen F. Austin	3,124,376	6,438,374	8,397,126	11,260,791	12,812,471
UT Tyler	8,791,664	10,087,438	9,694,680	12,253,672	13,807,156
UT Southwestern	24,516,915	27,996,433	28,652,504	34,595,860	38,757,245
UTMB Galveston	10,146,717	13,854,052	15,152,749	19,937,056	22,369,525
UTHSC Houston	17,359,953	20,113,559	20,293,110	22,315,802	23,361,465
UTHSC San Antonio	36,857,907	42,209,349	40,795,779	50,444,501	56,270,118
UT MD Anderson	16,924,478	19,247,260	20,954,817	27,639,116	28,441,398
UTHSC Tyler	20,506,898	23,476,311	20,125,178	26,802,118	30,301,799
	\$ 342,547,511	396,043,885	404,995,866	514,607,919	566,344,929

As of 12.01.2025

Note: This schedule includes estimated allocations of PUF bond debt service paid by the AUF. In reality, the debt is not serviced by individual institutional allocations, but as a Systemwide total. The allocation is based on a rolling 20-year average of PUF allocations received by each institution consistent with *Appendix D*.

APPENDIX F – U.T. SYSTEM ADMINISTRATION APPLICATION OF AVAILABLE UNIVERSITY FUND

The University of Texas System Administration depends on funding from the AUF for needs such as major repairs and rehabilitation, equipment, maintenance and operation, salaries, and support for units that provide assistance to the Board of Regents and the U.T. institutions.

The categories of spending from the AUF are shown in *Table 2* and are explained further in the following sections.

ADMINISTRATION

Table 2		
U.T. System Administration – Uses of AUF		
	FY 2025 (Actual)	FY 2026 (Budget)
Administration		
Board of Regents	\$ 3,163,258	\$ 2,577,965
System Operations	56,315,536	61,946,554
Total Administration	\$ 59,478,793	\$ 64,524,519
Direct Campus Support	\$ 136,396,700	\$ 107,000,000
External Audit	\$ 1,536,407	\$ 1,499,884
System Initiatives	\$ 70,000,000	\$ 65,000,000

Board of Regents. This budget item supports operations of the staff and other expenses associated with the activities of the Office of the Board of Regents. This item includes associated staff benefits.

System Administration Operations. As directed by *Texas Education Code* Section 65.16, U.T. System Administration is the central administrative office providing oversight, coordination, leadership and administrative support for the fourteen institutions of the U.T. System. Among the areas requiring more specialized expertise, which can be more efficiently provided by a central administrative unit, are compliance management, internal audit, legal counsel, intellectual property protection, governmental relations, policy planning and development for academic and health-related programs, information security, and various business operation support activities. Business operations include financial reporting, historically underutilized business programs, budget, finance, human resources, employee benefits, security, planning of facilities, information resources, capital projects, and real estate. U.T. System Administration also provides assistance to development programs of the institutions. The amount reported is inclusive of associated staff benefits.

APPENDIX F – U.T. SYSTEM ADMINISTRATION APPLICATION OF AVAILABLE UNIVERSITY FUND (CONTINUED)***DIRECT CAMPUS SUPPORT***

U.T. System Administration also administers a shared administrative computing system (ERP) and provides relief from Systemwide shared technology, risk, and digital library assessments. The amount reported is inclusive of associated staff benefits.

EXTERNAL AUDIT

The Board of Regents continues to engage an external audit firm to conduct an audit of the annual financial report of the U.T. System.

SYSTEM INITIATIVES

These are described in detail on pages 7-9.

APPENDIX G – U.T. AUSTIN APPLICATION OF AVAILABLE UNIVERSITY FUND

	Actual FY 2025	Budget FY 2026
EXCELLENCE IN MISSION		
INSTRUCTIONAL EXCELLENCE		
Enhanced Academic Programs	\$ 75,859,418	\$ 220,755,060
Instructional Program Services	13,621,505	17,132,419
Instructional Initiatives and Programs	5,730,345	2,358,813
Academic Infrastructure (Libraries, Instructional Technology)	32,759,623	26,555,086
Student Programs and Services	17,728,113	8,391,174
RESEARCH EXCELLENCE		
Research Competitiveness	20,193,992	57,505,198
OUTREACH EXCELLENCE		
Academic Program/Community Interface	7,187,450	3,469,297
TOTAL	173,080,446	336,167,047
RECRUITMENT AND RETENTION OF TALENT		
Faculty	17,312,407	468,003
K-12 Outreach and Undergraduate Students	17,862,258	14,908,373
Graduate Students	52,182,335	47,591,863
TOTAL	87,357,000	62,968,239
INSTITUTIONAL ACCOUNTABILITY AND ENHANCED CONNECTIONS TO THE PUBLIC	173,682,448	80,195,846
DELL MEDICAL SCHOOL	46,652,923	28,774,686
SCHOOL OF CIVIC LEADERSHIP	2,855,779	2,713,000
TEXAS ADVANCE COMMITMENT	6,006,165	23,500,000
SYSTEMWIDE TECHNOLOGY AND TELECOMMUNICATIONS FUND	9,042,683	1,648,182
TOTAL	\$498,677,444	\$535,967,000

APPENDIX G – U.T. AUSTIN APPLICATION OF AVAILABLE UNIVERSITY FUND (CONTINUED)**EXPLANATION OF U.T. AUSTIN AUF EXPENDITURES**

The mission of U.T. Austin 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*, one of the permitted uses of the AUF is the support and maintenance of U.T. Austin. Over the years, the AUF has provided the margin of excellence that permits U.T. Austin to achieve and maintain its place as one of the premier public institutions of higher education in the nation. The margin of excellence and operations support of U.T. Austin are described below:

EXCELLENCE IN MISSION:**INSTRUCTIONAL EXCELLENCE**

Enhanced Academic Programs. 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. 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 UT 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.

APPENDIX G – U.T. AUSTIN APPLICATION OF AVAILABLE UNIVERSITY FUND (CONTINUED)

Instructional Initiatives and Programs. The School of Undergraduate Studies 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 and Instructional Technology). 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. 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. 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.

APPENDIX G – U.T. AUSTIN APPLICATION OF AVAILABLE UNIVERSITY FUND (CONTINUED)*OUTREACH EXCELLENCE*

Academic Program/Community Interface. 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:*FACULTY*

U.T. Austin is committed to continuing to advance as one of the world's finest universities. Achieving this goal is directly connected to the 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

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 underrepresented 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.

GRADUATE STUDENTS

The intellectual and research accomplishments of the University depend critically on the 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 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 and funding packages competitive with peer universities. Funding is included for teaching assistants and assistant instructor salaries and to support recruitment fellowships.

APPENDIX G – U.T. AUSTIN APPLICATION OF AVAILABLE UNIVERSITY FUND (CONTINUED)**INSTITUTIONAL ACCOUNTABILITY AND ENHANCED CONNECTION TO THE PUBLIC:**

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 oncampus clients, including public and environmental safety and the integrity of the physical infrastructure of the institution. Project Information Quest 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 investigates allegations of discrimination, harassment and other prohibited conduct.

DELL MEDICAL SCHOOL:

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.

SCHOOL OF CIVIC LEADERSHIP – CIVITAS INSTITUTE

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.

TEXAS ADVANCE COMMITMENT

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.

SYSTEMWIDE TECHNOLOGY AND TELECOMMUNICATIONS FUND:

The U.T. System Office of Telecommunication Services and the Network Bandwidth were established by the U.T. 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.