

**CONTINUING DISCLOSURE ANNUAL REPORT**

**Filed by**

**BOARD OF REGENTS OF THE TEXAS TECH UNIVERSITY SYSTEM**



**FISCAL YEAR 2019**

Pursuant to Undertaking Provided to  
Permit Compliance with SEC Rule 15c2-12  
Relating to  
Each Issue of the Board's Outstanding Parity Obligations Issued since 1996

**Texas Tech University System**  
Lubbock, Texas

Board of Regents

<u>Name</u>	<u>Term Expiration</u> <sup>(1)</sup>	<u>Residence</u>
Mr. Mickey L. Long.....	January 31, 2021 .....	Lubbock, TX
Mr. Ronnie Hammonds.....	January 31, 2021 .....	Houston, TX
Mr. Christopher M. Huckabee .....	January 31, 2021 .....	Fort Worth, TX
Mr. J. Michael Lewis .....	January 31, 2023 .....	Dallas, TX
Mr. John D. Steinmetz .....	January 31, 2023 .....	Dallas, TX
Mr. John Walker .....	January 31, 2023 .....	Houston, TX
Mr. Ginger Kerrick.....	January 31, 2025.....	Webster, TX
Mr. Mark Griffin.....	January 31, 2025.....	Lubbock, TX
Ms. Dusty Womble.....	January 31, 2025.....	Lubbock, TX

Student Regent<sup>(2)</sup>

Mr. Sean Lewis..... May 31, 2020 ..... Detroit, Michigan

Officers of the Board

Mr. Christopher M. Huckabee ..... Chairman  
Mr. J. Michael Lewis ..... Vice Chairman  
Mr. Ben W. Lock ..... Secretary

Principal Administrators

<u>Name</u>	<u>Title</u>
Dr. Tedd L. Mitchell .....	Chancellor
Mr. Gary Barnes.....	Vice Chancellor and Chief Financial Officer
Dr. Lawrence Schovanec .....	TTU President
Dr. Tedd L. Mitchell .....	TTUHSC President
Dr. Brian J. May.....	ASU President
Dr. Richard A. Lange.....	TTUHSC at El Paso President

<sup>(1)</sup> The actual expiration date of the term depends on the date the successor is appointed, qualified and takes the oath of office.

<sup>(2)</sup> Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

This information is being provided by the Board of Regents (“Board”) of the Texas Tech University System (“University System”) in compliance with the contractual undertaking (“Undertaking”) to provide annual reports of quantitative financial information and operating data, as required by Rule 15c2-12 (“Rule”) of the Securities and Exchange Commission, regarding each issue of the Board’s outstanding Parity Obligations issued since 1996 (“Issues”).

This Annual Report contains financial information and operating data with respect to the University System. Information in this Annual Report has been compiled from the University System’s records and other sources which are believed by the Board to be reliable. This report is provided in satisfaction of the Board’s Undertaking, and contains information prescribed by the Rule. The Board does not make any warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes, or other obligations payable, in whole or in part, from the sources pledged for the payment of the Issues. Information agreed to be provided by the Board may be reported in full text herein, or may be incorporated by reference to certain other publicly available documents. The Board is required by the Undertaking to provide information annually by a date not more than 180 days following the close of its fiscal year, for as long as any of the Issues are outstanding.

## **General Overview**

The Texas Tech University System is composed of a central administrative agency, the Texas Tech University System Administration, and four component institutions – Texas Tech University, Texas Tech University Health Sciences Center - Lubbock, Angelo State University, and Texas Tech University Health Sciences Center at El Paso. These four separate academic institutions are governed by the ten-member Board of Regents. The Regents are appointed by the Governor of the State of Texas to six-year staggered terms with the exception of a student Regent who is appointed to a one-year term. The Chancellor is the chief executive officer of the System and is appointed by, and reports directly to, the Board of Regents. The Chancellor is supported by the Texas Tech University System Administration.

The University System employs more than 18,000 full-time faculty and staff. The annual combined budget of the System is approximately \$2.1 billion. Approximately \$505 million of these funds are appropriated by the Texas Legislature and about \$221 million in research expenditures annually. The total enrollment across all components is more than 55,300 students.

The University System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the University System strives to increase accessibility, enhance instruction and infrastructure formula funding, provide necessary financial aid, produce and commercialize new technologies, strengthen academic quality and reputation, advance research, improve productivity and efficiency, and further the quality and availability of health care for all Texans.

Texas Tech University (TTU) is a major comprehensive, multi-faceted research university with more than 38,000 students pursuing 150 undergraduate, 100 graduate or 50 doctoral degrees in 12 different instructional schools and colleges. Texas Tech has students from 247 of the 254 counties in Texas, 49 states plus Puerto Rico, Virgin Islands and the District of Columbia, and more than 114 foreign countries. Approximately 92 percent of Texas Tech undergraduate students are Texans, and about 80 percent of students have home addresses more than 100 miles away from Lubbock. In 2017, Texas Tech’s enrollment included 27.8 percent Hispanic undergraduate students, which qualifies the University to serve as a Hispanic Serving Institution. In addition, 6,617 or 17 percent of students are enrolled in graduate or professional programs. Texas Tech offers the most comprehensive academic programs in the state on a single campus. It remains the only institution in the nation to offer six doctoral programs in agriculture without the benefit of land-grant support.

Texas Tech provides educational services to the residents of the Texas Hill Country, West Texas and the Dallas/Fort Worth area. TTU has established academic centers in Junction, Fredericksburg, Marble Falls/Highland Lakes, Cleburne, Austin and El Paso, along with academic centers in Waco through the University Center at McLennan Community College and in McKinney through the Higher Education Center at Collin College.

Texas Tech University Health Sciences Center (“TTUHSC”) has an enrollment of over 5,200 students in its five schools of Medicine, Nursing, Health Professions, Pharmacy and Graduate School of Biomedical Sciences. The Lubbock campus serves as the administrative hub for the Health Sciences Center, with regional campuses located in Abilene, Amarillo, the Permian Basin (Odessa/Midland), and the Dallas/Fort Worth metroplex.

The Texas Tech Physicians (“TTP”), an academic non-profit medical practice comprised of faculty and staff from the Texas Tech University Health Sciences Center, serves more than 250,000 patients annually in 108-county area stretching from Texas Panhandle south to the Permian Basin and west into New Mexico. TTP provides a direct teaching platform for the students and residents enrolled at TTUHSC and, through its clinics, offers medical services for all individuals who seek medical care.

Since 1989, TTUHSC provided medical services to the Texas State Prisons. In 1993, TTUHSC formally partnered with the Texas Department of Criminal Justice (“TDCJ”) and the University of Texas Medical Branch (“UTMB”) at Galveston in providing comprehensive correctional managed health care services to more than 30,000 adult offenders in Texas state prisons. TTUHSC serves the prisons located in West Texas where as UTMB serves East Texas. Full funding for these services is appropriated bi-annually through the State Legislature Budget process. These services from TTUHSC are accredited by the American Correctional Association (ACA).

Angelo State University, based in San Angelo, was established in 1928 as San Angelo College; in 1965 new legislation was passed to create Angelo State College. ASU’s campus covers more than 268 acres and enrolls more than 10,500 students from 215 of Texas’ 254 counties, 47 other states, and 35 countries. The Texas Legislature (80th Regular Session) passed House Bill 3564 and pursuant to the statute, the governance, control, management and property of Angelo State University were transferred from the Texas State University System to the Texas Tech University System, effective September 1, 2007.

Texas Tech University Health Sciences Center at El Paso (“TTUHSC El Paso”) was established as the fourth independent university in the Texas Tech University System with the signing of Senate Bill 120 in May 2013. Existing since 1973, the campus has grown significantly to serve the El Paso community through programs in education, research and patient care. With enrollment over 750 students, the TTUHSC El Paso Paul L. Foster School of Medicine, Gayle Greve Hunt School of Nursing, and Graduate School of Biomedical Sciences offer comprehensive education programs at the undergraduate and graduate level, preparing them for competitive careers in the health care field. In April 2018, the addition of the Woody L. Hunt School of Dental Medicine (WLHSDM) to TTUHSC El Paso was acknowledged by the Texas Higher Education Coordinating Board. El Paso, the sixth most populous city in the state of Texas and 22nd in the US, is a medical hub of West Texas and Southern New Mexico. The region has been federally designated as a medically underserved area.

Accreditation The institutions, agencies, and services comprising the University System are members of the following professional associations and accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of American Colleges; American Association of State Colleges and Universities, Council on Higher Education; Association of Urban Universities; National Association of State Universities and Land-Grant Colleges; and Liaison Committee on Medical Education.

## Pledged Revenues

As outlined in the Master Resolution, Parity Obligations are secured by Pledged Revenues of the University System’s Revenue Financing System. The Pledged Revenues consist of Revenue Funds and lawfully available (unappropriated) reserve and fund balances with certain exceptions. Revenue Funds are defined in Section 55.01 of the Texas Education Code as revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds.

Set forth below is the information relating to the University System’s Pledged Revenues for the last four fiscal years.

<b><u>Pledged Revenues and Balances Available for Debt Service (\$000)</u></b>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Available Pledged Revenues Not Including Fund Balances <sup>(1)</sup>	\$ 757,477	\$ 743,933	\$ 733,579	\$ 758,582
Available Pledged Revenues Fund Balances <sup>(2)</sup>	<u>713,879</u>	<u>851,969</u>	<u>890,042</u>	<u>922,895</u>
<b>Total Pledged Revenues and Pledged Fund Balances</b>	<b><u>\$ 1,471,356</u></b>	<b><u>\$ 1,595,902</u></b>	<b><u>\$ 1,623,621</u></b>	<b><u>\$ 1,681,477</u></b>

(1) Excludes (i) amounts received from the Higher Education Fund pursuant to Article VII, Section 17 of the State Constitution. See “Additional Sources of Payment: “HEF and Additional Appropriations” below.

(2) In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at Fiscal Year-end are available for payment of debt service on Parity Obligations coming due during the subsequent year. In addition, historically, the Board has set aside certain reserve fund balances for specified University System purposes.

<b><u>Additional Sources of Payment: HEF and Other (\$000)<sup>(1)</sup></u></b>					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Available HEF Appropriations	\$ 84,152	\$ 84,152	\$ 84,152	\$ 84,152	\$ 83,878
Additional Appropriations – HSC PA Facility	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<b>Total Additional Sources of Payment</b>	<b><u>\$ 84,152</u></b>	<b><u>\$ 84,152</u></b>	<b><u>\$ 84,152</u></b>	<b><u>\$ 94,152</u></b>	<b><u>\$ 93,878</u></b>

(1) The “Additional Sources of Payment” chart published in the 2017 and 2018 annual disclosure reports included TRBs as additional sources. The chart is revised omitting amounts for TRBs as the amounts are included in the available pledged revenues calculation on the “Pledged Revenues and Balances Available for Debt Service” chart above.

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**Outstanding Obligations**

As of August 31, 2019, the University System had the following Parity Obligations:

**Revenue Financing System**

Revenue Financing System Commercial Paper Notes	50,795,0000
Revenue Financing System Bonds, 12 <sup>th</sup> Series 2009	-
Revenue Financing System Bonds, 14 <sup>th</sup> Series 2012A	101,965,000
Revenue Financing System Taxable Bonds, 15 <sup>th</sup> Series 2012B	20,250,000
Revenue Financing System Taxable Bonds, 16 <sup>th</sup> Series 2015A	66,050,000
Revenue Financing System Taxable Bonds, 17 <sup>th</sup> Series 2015B	169,980,000
Revenue Financing System Tax-Exempt Bonds, 2017A Series	72,500,000
Revenue Financing System Taxable Bonds, 2017B Series	<u>262,755,000</u>
TOTAL	\$744,295,000

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Set forth below is a summary of the debt service requirements of all Parity Obligations outstanding as of August 31, 2019:



**Texas Tech University System RFS Bonds**

**DEBT SERVICE**

**ALL SERIES**

As of Aug 31, 2019 through Maturity

Date	Principal	Coupon	Interest	Debt Service	Bond Balance
8/31/2019					693,500,000
8/31/2020	63,215,000	**	24,480,467	87,695,467	630,285,000
8/31/2021	62,200,000	**	22,672,412	84,872,412	568,085,000
8/31/2022	53,295,000	**	20,918,759	74,213,759	514,790,000
8/31/2023	49,925,000	**	19,207,993	69,132,993	464,865,000
8/31/2024	49,785,000	**	17,553,120	67,338,120	415,080,000
8/31/2025	51,100,000	**	15,838,815	66,938,815	363,980,000
8/31/2026	46,725,000	**	14,095,475	60,820,475	317,255,000
8/31/2027	40,045,000	**	12,494,794	52,539,794	277,210,000
8/31/2028	39,820,000	**	11,003,543	50,823,543	237,390,000
8/31/2029	40,190,000	**	9,454,602	49,644,602	197,200,000
8/31/2030	39,100,000	**	7,883,676	46,983,676	158,100,000
8/31/2031	35,245,000	**	6,377,504	41,622,504	122,855,000
8/31/2032	28,365,000	**	4,973,330	33,338,330	94,490,000
8/31/2033	18,775,000	**	3,914,217	22,689,217	75,715,000
8/31/2034	18,100,000	**	3,048,614	21,148,614	57,615,000
8/31/2035	15,740,000	**	2,252,979	17,992,979	41,875,000
8/31/2036	13,165,000	**	1,598,797	14,760,914	28,710,000
8/31/2037	5,365,000	**	1,104,661	6,467,382	23,345,000
8/31/2038	5,600,000	**	869,997	6,468,389	17,745,000
8/31/2039	4,045,000	**	679,563	4,723,708	13,700,000
8/31/2040	4,210,000	**	517,052	4,727,052	9,490,000
8/31/2041	3,485,000	**	364,090	3,849,090	6,005,000
8/31/2042	1,410,000	4.172%	221,116	1,631,116	4,595,000
8/31/2043	1,470,000	4.172%	161,039	1,631,039	3,125,000
8/31/2044	1,530,000	4.172%	98,459	1,628,459	1,595,000
8/31/2045	1,595,000	4.172%	33,272	1,628,272	
	<b>693,500,000</b>		<b>201,818,345</b>	<b>895,310,719</b>	

Set forth below reflects a portion of all Parity Obligations identified as Tuition Revenue Bonds (TRB). For more information, see “Tuition Revenue Bonds” in the “Selected Financial Information” section as listed below.



**Texas Tech University System RFS Bonds**

**DEBT SERVICE**

**ALL SERIES SUB TOTAL**

**TRB (Tuition Revenue Bonds)**

As of Aug 31, 2019 through Maturity

Period Ending	Principal	Interest	Debt Service	Obligations Balance
8/31/2019				294,136,877
8/31/2020	31,746,211	9,444,439.04	41,190,650.04	262,390,666
8/31/2021	32,632,435	8,516,051.82	41,148,486.82	229,758,231
8/31/2022	29,852,761	7,555,290.71	37,408,051.71	199,905,470
8/31/2023	25,717,842	6,622,333.70	32,340,175.70	174,187,628
8/31/2024	26,527,995	5,829,889.31	32,357,884.31	147,659,633
8/31/2025	27,352,908	4,972,472.70	32,325,380.70	120,306,725
8/31/2026	23,316,725	4,125,311.07	27,442,036.07	96,990,000
8/31/2027	16,920,000	3,418,975.50	20,338,975.50	80,070,000
8/31/2028	17,555,000	2,784,814.25	20,339,814.25	62,515,000
8/31/2029	18,235,000	2,107,118.50	20,342,118.50	44,280,000
8/31/2030	18,950,000	1,386,860.00	20,336,860.00	25,330,000
8/31/2031	14,890,000	713,159.00	15,603,159.00	10,440,000
8/31/2032	10,440,000	205,262.00	10,645,262.00	
	<b>294,136,877</b>	<b>57,681,977.60</b>	<b>351,818,854.60</b>	

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The two aforementioned tables include all Angelo State University debt that has been issued as part of the University System Revenue Financing System. Prior to September 1, 2007, Angelo State was under the Texas State University System (“TSUS”) umbrella. The University System is in agreement with TSUS on which portion of Angelo State’s debt outstanding is considered Texas State System’s obligation and Angelo State is to continue to make payments.

Set forth below is the remaining debt service schedule for Angelo State’s portion of TSUS Revenue Financing System.

<b>TEXAS STATE UNIVERSITY SYSTEM RFS BONDS</b>				
<b>DEBT SERVICE - ANGELO STATE UNIVERSITY</b>				
<b>ALL SERIES</b>				
as of August 31, 2019 to Maturity				
Ending Period	Principal	Interest	Annual Debt Service	Obligations Balance
8/31/2019			1,134,750	3,060,000
8/31/2020	985,000	153,000	1,138,000	2,075,000
8/31/2021	1,015,000	103,750	1,118,750	1,060,000
8/31/2022	1,060,000	53,000	1,113,000	0
	3,060,000	309,750	5,641,250	

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Set forth below is the remaining debt service schedule for Angelo State’s portion of TSUS Revenue Financing System identified as Tuition Revenue Bonds (TRB). For more information, see “Tuition Revenue Bonds” in the “Selected Financial Information” section as listed below.

<b>TEXAS STATE UNIVERSITY SYSTEM RFS BONDS</b>				
<b>DEBT SERVICE - ANGELO STATE UNIVERSITY</b>				
<b>ALL SERIES SUB TOTAL</b>				
<b>TRB (Tuition Revenue Bonds)</b>				
<b>as of August 31, 2019 to Maturity</b>				
<b>Ending Period</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>	<b>Obligations Balance</b>
8/31/2019			1,122,750	3,030,000
8/31/2020	975,000	151,500	1,126,500	2,055,000
8/31/2021	1,005,000	102,750	1,107,750	1,050,000
8/31/2022	1,050,000	52,500	1,102,500	0
	<b>3,030,000</b>	<b>306,750</b>	<b>5,583,250</b>	

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## Enrollment

Set forth below is the fall semester headcount and full-time equivalent enrollment at Texas Tech University System for each of the last five fall semesters:

### **Headcount Enrollment Information**

<u>Undergraduate</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>
Texas Tech University	29,237	29,963	30,737	31,957	32,125
Health Sciences Center	1,355	1,407	1,437	1,520	1,478
Health Sciences Center at El Paso	137	174	203	264	300
Angelo State University	7,273	8,094	8,798	8,752	9,046
Undergraduate Total	38,002	39,638	41,175	42,493	42,949
<u>Graduate &amp; Professional</u>					
Texas Tech University	6,622	6,588	6,259	6,252	6,617
Health Sciences Center	3,119	3,218	3,351	3,563	3,816
Health Sciences Center at El Paso	387	433	462	466	465
Angelo State University	1,235	1,487	1,619	1,635	1,522
Graduate Total	11,363	11,726	11,691	11,916	12,420
Total	49,365	51,364	52,866	54,409	55,369

### **Full-Time Equivalent Enrollment Information**

<u>Undergraduate</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>
Texas Tech University	28,002	28,212	28,458	29,084	29,416
Health Sciences Center	1,277	1,328	1,345	1,420	1,401
Health Sciences Center at El Paso	128	152	178	224	268
Angelo State University	5,866	6,529	6,923	6,946	7,113
Undergraduate Total	35,273	36,221	36,904	37,674	38,198
<u>Graduate &amp; Professional</u>					
Texas Tech University	5,399	5,215	4,700	4,649	4,511
Health Sciences Center	2,731	2,788	2,902	3,068	3,305
Health Sciences Center at El Paso	387	433	462	461	459
Angelo State University	975	1,190	1,274	1,263	1,222
Graduate Total	9,492	9,626	9,338	9,441	9,497
Total	44,765	45,847	46,242	47,115	47,695

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## Admissions and Matriculation

Set forth below is the information relating to admissions and matriculation for Texas Tech University System for the general academic institutions (Texas Tech University and Angelo State University) for each of the last five fall semesters:

	<b>Admissions and Matriculation Information</b>									
	2015	%	2016	%	2017	%	2018	%	2019	%
<b>Freshman:</b>										
Applications Submitted	26,979	--	27,861	--	29,655	--	29,004	--	29,758	--
Applications Accepted	17,555	65.1	17,889	64.2	20,655	69.7	20,681	71.3	20,540	69.0
Matriculation	6,485	36.9	6,327	35.4	7,432	36.0	7,679	37.1	7,552	36.8
Matriculation from outside state	476	7.3	417	6.6	425	5.7	525	6.8	457	6.1
<b>Transfers:</b>										
Applications Submitted	5,984	--	6,323	--	5,673	--	5,797	--	5,744	--
Applications Accepted	5,048	84.4	5,016	79.3	4,615	81.4	4,632	79.9	4,584	79.8
Matriculation	3,343	66.2	3,473	69.2	3,033	65.7	3,015	65.1	3,095	67.5
Matriculation from outside state	342	10.2	292	8.4	256	8.4	306	10.1	288	9.3
<b>Graduates:</b>										
Applications Submitted	8,583	--	8,471	--	7,257	--	5,797	--	6,493	--
Applications Accepted	3,809	44.4	4,115	48.6	3,629	50.0	4,632	55.4	3,791	58.4
Matriculation	3,337	87.6	2,238	54.4	1,946	53.6	3,015	55.5	2,423	63.9
Matriculation from outside state	763	22.9	735	32.8	578	29.7	672	30.4	723	29.8

## Degrees Conferred

Set forth below is a listing of degrees conferred by the member institutions during each of the last five years:

	<b>Total Degrees Conferred</b>				
<u>Institutions:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Texas Tech University	7,303	7,398	7,797	8,435	8,480
Angelo State	1,382	1,308	1,605	1,695	1,817
Health Sciences Center	1,887	1,998	2,178	2,217	2,295
Health Sciences Center at El Paso	136	157	210	238	263
<b>Total</b>	<b>10,708</b>	<b>10,861</b>	<b>11,790</b>	<b>12,585</b>	<b>12,855</b>

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## **Financial Statements**

The University System is an agency of the State and its financial records reflect compliance with applicable State statutes and regulations. The fiscal year of the State and the University System begins on September 1 of each year. Annually, an unaudited financial report dated as of August 31, is prepared for the University System no later than November 20 and then delivered to the Governor and the State Comptroller of Public Accounts. The State in turn issues an audited Combined Annual Financial Report (CAFR), prepared in accordance with generally accepted accounting principles, encompassing all activities generally considered part of the State. The State Auditor's Office annually audits the general-purpose activities of the State and contracts with an outside firm to audit certain portions in compliance with federal audit procedures. Both the State Auditor and contracted auditing firm each express an opinion of the CAFR. However, neither the State Auditor nor the contracted auditing firm express opinions on the financial reports of individual agencies and/or member units, including the University System. Therefore, no independent audit of the University System is required.

Set forth below reflects the condensed statement of net position of the University System as of August 31, 2015 through 2019.

### **Condensed Statement of Net Position (unaudited)**

**As of August 31**

**(In Thousands)**

	<b>Restated 2015</b>	<b>Restated 2016</b>	<b>Restated 2017</b>	<b>Restated 2018</b>	<b>2019</b>
<b>Assets:</b>					
Current Assets	\$634,847	\$753,214	\$782,254	\$830,087	\$720,866
Capital Assets, Net	1,467,174	1,502,645	1,592,729	1,715,867	1,779,293
Other Assets	1,853,500	1,927,334	2,331,639	2,327,125	2,448,369
<b>Total Assets</b>	<b>\$3,955,521</b>	<b>\$4,183,193</b>	<b>\$4,706,622</b>	<b>\$4,873,079</b>	<b>\$4,948,528</b>
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources	\$27,390	\$38,050	\$70,885	\$45,894	\$796,317
Liabilities:					
Current Liabilities	\$416,247	\$492,122	\$512,336	\$535,381	\$574,805
Non-Current Liabilities	790,961	\$773,105	1,388,239	1,237,266	1,817,883
<b>Total Liabilities</b>	<b>\$1,207,208</b>	<b>\$1,265,227</b>	<b>\$1,900,575</b>	<b>\$1,772,647</b>	<b>\$2,392,688</b>
Deferred Inflows of Resources:					
Total Deferred Inflows of Resources	\$49,527	\$31,961	\$43,645	\$121,517	\$360,314
Net Position:					
Invested in Capital Assets, Net of Related Debt	\$850,610	\$882,988	\$930,236	\$1,016,654	\$1,081,350
Restricted					
Expendable	458,107	540,431	547,482	577,196	574,789
Non-Expendable	648,049	657,815	701,085	729,343	758,054
Unrestricted	769,409	842,821	654,483	701,616	577,650
<b>Total Net Position</b>	<b>\$2,726,175</b>	<b>\$2,924,055</b>	<b>\$2,833,286</b>	<b>\$3,024,809</b>	<b>\$2,991,843</b>

Set forth below reflects the statement of revenues, expenses, and changes in net position of the University System as of August 31, 2015 through 2019.

**Condensed Statement of Revenues, Expenses and Changes in Net Position (unaudited)  
as of August 31 (in thousands)**

	<u>Restated 2015</u>	<u>Restated 2016</u>	<u>Restated 2017</u>	<u>Restated 2018</u>	<u>2019</u>
<b>Operating Revenues</b>	\$1,145,409	\$1,239,284	\$1,240,226	\$1,276,660	\$1,321,511
<b>Operating Expenses</b>	<u>1,668,496</u>	<u>1,785,076</u>	<u>1,854,565</u>	<u>1,910,599</u>	<u>2,123,073</u>
<b>Operating Income (Loss)</b>	(523,087)	(545,792)	(614,339)	(633,939)	(801,562)
<b>Non-Operating Revenues (Expenses)</b>	<u>521,802</u>	<u>652,235</u>	<u>718,607</u>	<u>661,852</u>	<u>589,832</u>
<b>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	(1,285)	106,443	104,268	27,913	(211,730)
<b>Other Revenues, Expenses, Gains, Losses and Transfers</b>	<u>41,705</u>	<u>84,451</u>	<u>156,265</u>	<u>154,794</u>	<u>178,764</u>
<b>Changes in Net Position</b>	<u>40,420</u>	<u>190,894</u>	<u>260,533</u>	<u>182,707</u>	<u>(32,966)</u>
<b>Beginning Net Position (September 1)</b>	2,685,609	2,732,250	2,924,055	2,833,287	3,019,406
Restatement of Beginning Net Position	(53)	911	(351,301)	8,815	5,403
<b>Ending Net Position (August 31)</b>	<u>\$2,725,976</u>	<u>\$2,924,055</u>	<u>\$2,833,287</u>	<u>\$3,024,809</u>	<u>\$2,991,843</u>

Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2015 through 2019.

	<u>Restated 2015</u>	<u>Restated 2016</u>	<u>Restated 2017</u>	<u>Restated 2018</u>	<u>2019</u>
<b>Cash Flow From</b>					
Operating Activities	(398,666)	(393,247)	(479,445)	(475,489)	(510,107)
Non-capital Financing Activities	573,017	585,728	611,244	599,752	608,627
Capital and Related Financing Activities	(104,273)	(143,909)	110,525	(214,347)	(174,249)
Investing Activities	<u>(141,149)</u>	<u>(3,674)</u>	<u>(13,478)</u>	<u>20,893</u>	<u>(131,687)</u>
<b>Total Net Cash Flows</b>	(71,071)	44,898	228,846	(69,191)	(207,416)
Cash & Cash Equivalents, Beginning of Year Sept 1	412,384	341,314	386,712	615,376	546,185
Restatement to Beginning Cash & Cash Equivalents		499	(182)		
<b>Ending Cash &amp; Cash Equivalents - August 31</b>	<u>\$341,313</u>	<u>\$386,711</u>	<u>615,376</u>	<u>\$546,185</u>	<u>\$338,769</u>

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## Selected Financial Information

State Appropriations The operations of the member institutions are heavily dependent upon the continued support of the State pursuant to the biennial appropriations process initiated by the Texas Legislature. State appropriations for public higher education institutions are primarily allocated through funding formulas. TTUS member institutions are eligible to receive additional distributions such as the Higher Education Fund for certain capital expenditures and Tuition Revenue Bonds for certain debt service. Further information on those are detailed below. The most recent legislative session (the 86<sup>th</sup>), ended on May 31, 2019 of which the State Legislature adopted a budget for the 2019-20 biennium beginning September 1, 2019.

The University System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

The table below represents the State Formula Funding Appropriations (less Board Authorized Tuition) available to all public institutions of higher education for Fiscal Years 2017 through 2021. (Exact amounts for FY2020-2021 are currently unavailable.):

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Total State Formula Funding	\$4,253,091,945	\$4,315,381,588	\$4,316,522,244	\$4,500,000,000	\$4,500,000,000

Results indicate State Formula Funding (less Board Authorized Tuition) for each member institution in the following amounts for Fiscal Years 2017 through 2021:

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Texas Tech University	\$155,536,461	\$156,671,931	\$156,671,931	\$161,876,869	\$161,876,869
Health Sciences Center	103,164,267	104,799,502	104,799,502	114,608,794	110,022,589
Angelo State University	20,308,604	23,859,418	23,859,418	25,184,301	25,184,303
Health Sciences Center at El Paso	24,582,950	26,851,928	26,851,928	28,920,419	28,920,419
<b>Total</b>	<b>\$303,592,282</b>	<b>\$312,182,779</b>	<b>\$312,182,779</b>	<b>\$330,590,383</b>	<b>\$326,004,180</b>

Higher Education Fund Appropriations. The Participants each receive a portion of an annual appropriation of funds made by the State Legislature to the Higher Education Fund (HEF) pursuant to the provisions of Article VII, Section 17 of the State Constitution. The annual allocation to the University System for fiscal years 2017 through 2020 is set forth below:

	<b>Higher Education Fund Appropriations</b>				
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Texas Tech University	\$49,225,809	\$49,225,809	\$49,225,809	\$49,225,809	\$49,874,746
Health Sciences Center	23,372,396	23,372,396	23,372,396	23,372,396	21,652,392
Angelo State University	5,320,102	5,320,102	5,320,102	5,320,102	6,792,999
Health Sciences Center at El Paso	6,234,075	6,234,075	6,234,075	6,234,075	5,557,572
<b>Total</b>	<b>\$84,152,382</b>	<b>\$84,152,382</b>	<b>\$84,152,382</b>	<b>\$84,152,382</b>	<b>\$83,877,709</b>

Tuition Revenue Bonds. A portion of the Parity Obligations of the University System constitute Tuition Revenue Bonds (defined in Chapter 55 of the Texas Education Code). Tuition Revenue Bonds issued by the University System carry no additional pledge or security and constitute Parity Obligations of the University

System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the University System. The State Legislature has appropriated funds to reimburse the University System in prior years in an amount equal to all or a portion of the debt service on the University System’s Tuition Revenue Bonds.

Set forth below reflects the Tuition Revenue Bond Appropriations in Fiscal Year 2017 through 2019 and the current 2020-21 biennium of the State Budget.

**2017-2021 State Tuition Revenue Bond (TRB) Appropriations  
(In Thousands)**

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Texas Tech University	\$12,580	\$14,513	\$14,485	\$13,503	\$13,494
TTU Health Sciences Center	11,910	13,630	13,583	11,873	11,856
Angelo State University	4,390	4,382	2,877	2,879	2,860
TTUHSC at El Paso	12,510	11,007	10,932	14,062	14,046
System Administration	-	-	-	-	-
Total TRBs	<u>\$41,390</u>	<u>\$43,532</u>	<u>\$41,877</u>	<u>\$42,317</u>	<u>\$42,256</u>

Tuition and Fees Each component institution that grants degrees charges tuition and fees as set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of “State Mandated Tuition” and “Board Designated Tuition.” Mandatory fees comprise charges of certain activities and services utilized by all students. Each component institution charges various types of fees and in various amounts.

Fixed Rate Tuition Sections 54.016 and 54.017 of the Texas Education Code authorize the state’s general academic teaching institutions and junior colleges to provide an option for fixed price tuition beginning in fall 2014. Both Texas Tech University and Angelo State University have chosen to offer fixed price tuition plans. This option “freezes” only the designated tuition portion of a student’s cost of attendance for a period of twelve continuous semesters equating to four academic years. Incoming undergraduates, either via transfer from another institution or no prior college attendance, beginning with the fall 2014 semester are eligible to choose the fixed rate tuition plan. Dual high school credit is not considered prior college attendance. Students who have previously enrolled at Texas Tech University or Angelo State University and are returning from another institution and students classified either as graduate or non-resident distance education are not eligible for the plan. The opt-in period starts at registration for classes and ends on the day before the first day of class. Students can opt-out one-time at any time but will be reverted to original designated tuition rate in the succeeding semester. Students who elected to not participate will not be able to opt-in at a later date. The fixed tuition rate will be set each academic year for the incoming undergraduate classes.

Any changes in tuition or fees will originate and be recommended by the President of the component institution, reviewed by the Chancellor and approved by the Board. Any changes in tuition will be implemented only after thorough consultation and review.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance to resident and non-resident students by each institution, excluding the Health Sciences Centers, for the 2018-19 academic year based on 15



semester credit hours (SCH) per semester for undergraduate students, 12 semester credit hours (SCH) per semester for graduate students.

**Texas Tech University  
Tuition and Fees  
Academic Year 2019-2020**

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
<b>Resident Undergrad (15 SCH)</b>	\$750.00	\$3,465.00	\$0.00	\$1,444.50	\$5,659.50	\$528.75
<b>Non-Resident Undergrad (15 SCH)</b>	7,080.00	3,465.00	0.00	1,444.50	11,989.50	212.40
<b>Resident Graduate (12 SCH)</b>	600.00	2,772.00	600.00	1,278.00	5,250.00	423.00
<b>Non-Resident Graduate (12 SCH)</b>	5,664.00	2,772.00	600.00	1,278.00	10,314.00	169.92
<b>Resident Law (15 SCH)</b>	1,200.00	7,695.00	2,400.00	1,707.00	13,002.00	1,230.75
<b>Non-Resident Law (15 SCH)</b>	7,080.00	7,695.00	2,400.00	1,707.00	18,882.00	212.40
<b>Fixed Rate Plan Tuition and Fees</b>						
<b><u>Fall 2017 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	750.00	3,570.00	0.00	1,412.50	5,732.50	544.50
<b>Non-Resident Undergrad (15 SCH)</b>	6,975.00	3,570.00	0.00	1,412.50	11,957.50	209.25
<b><u>Fall 2018 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	750.00	3,690.00	0.00	1,412.50	5,852.50	562.50
<b>Non-Resident Undergrad (15 SCH)</b>	6,975.00	3,690.00	0.00	1,412.50	12,077.50	209.25
<b><u>Fall 2019 Cohort</u></b>						
<b>Resident Undergrad (15 SCH)</b>	750.00	3,780.00	0.00	1,444.50	5,974.50	576.00
<b>Non-Resident Undergrad (15 SCH)</b>	7,080.00	3,780.00	0.00	1,444.50	12,304.50	212.40

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NOTE: A fixed international student fee of \$75 for TTU students & \$50 for ASU students is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

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**Angelo State University  
Tuition and Fees  
Academic Year 2019-2020**

	<b>State Mandated Tuition</b>	<b>Board Designated Tuition</b>	<b>Board Authorized Tuition</b>	<b>Mandatory Fees</b>	<b>Total Tuition &amp; Fees</b>	<b>Financial Assistance Set Aside</b>
<b>Resident Undergraduate (15 SCH)</b>	\$750.00	\$1,957.50	\$0.00	\$1,652.90	\$4,360.40	\$302.63
<b>Non-Resident Undergrad (15 SCH)</b>	7,080.00	1,957.50	0.00	1,652.90	10,690.40	212.40
<b>Resident Graduate (12 SCH)</b>	600.00	1,566.00	600.00	1,610.40	4,376.40	242.10
<b>Non-Resident Graduate (12 SCH)</b>	5,664.00	1,566.00	600.00	1,610.40	9,440.40	169.92

**Fixed Rate Plan Tuition and Fees**

**Fall 2020 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	\$750.00	\$2,083.50	\$0.00	\$1,652.90	\$4,486.40	\$321.53
<b>Non-Resident Undergrad (15 SCH)</b>	7,080.00	2,083.50	0.00	1,652.90	10,816.40	212.40

**Fall 2019 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	\$750.00	\$1,988.40	\$0.00	\$1,615.90	\$4,354.30	\$307.26
<b>Non-Resident Undergrad (15 SCH)</b>	6,975.00	1,988.40	0.00	1,615.90	10,579.30	209.25

**Fall 2018 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	750.00	1,877.40	0.00	1,615.90	4,243.30	290.61
<b>Non-Resident Undergrad (15 SCH)</b>	6,975.00	1,877.40	0.00	1,615.90	10,468.30	209.25

**Fall 2017 Cohort**

<b>Resident Undergraduate (15 SCH)</b>	750.00	1,814.40	0.00	1,615.90	4,180.30	281.16
<b>Non-Resident Undergrad (15 SCH)</b>	6,975.00	1,814.40	0.00	1,615.90	10,405.30	209.25

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NOTE: A fixed international student fee of \$75 for TTU students & \$50 for ASU students is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

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Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance for full-time resident and non-resident students at the Health Sciences Center.

**Health Sciences Center  
Tuition and Fees  
Academic Year 2019-2020**

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set-Aside
<b>M.D. Resident</b>						
Year 1 - 2	\$6,550.00	\$9,520.00		\$3,032.70	\$19,102.70	\$2,049.98
Year 3	6,550.00	9,520.00		2,972.70	19,042.70	2,049.98
Year 4	6,550.00	9,520.00		2,397.70	18,467.70	2,049.98
<b>M.D. Non-Resident</b>						
Year 1 - 2	19,650.00	9,520.00		3,032.70	32,202.70	1,656.98
Year 3	19,650.00	9,520.00		2,972.70	32,142.70	1,656.98
Year 4	19,650.00	9,520.00		2,397.70	31,567.70	1,656.98
<b>Graduate Students</b>						
Resident (24 SCH)	1,200.00	2,496.00	480.00	1,893.40	6,069.40	388.80
Non-Resident (24 SCH)	11,016.00	2,496.00	480.00	1,893.40	15,885.40	539.28
<b>Health Professions</b>						
Undergrad – Resident Year 1-2 (37 SCH)	1,850.00	5,809.00		3,518.40	11,177.40	893.55
Undergrad - Non-Resident Year 1-2 (37 SCH)	16,983.00	5,809.00		3,518.40	26,310.40	1,125.54
Grad - Resident Year 1 - 3 (37 SCH)	1,850.00	5,809.00	1,850.00	3,518.40	13,027.40	893.55
Grad - Non-Resident Year 1 - 3 (37 SCH)	16,983.00	5,809.00	1,850.00	3,518.40	28,160.40	1,125.54
<b>Nursing</b>						
<b>Undergrad</b>						
Resident - Year 1 (34 SCH)	1,700.00	5,338.00		3,729.40	10,767.40	821.10
Resident - Year 2 (33 SCH)	1,650.00	5,181.00		3,652.90	10,483.90	796.95
Non-Resident - Year 1 (34 SCH)	15,606.00	5,338.00		3,729.40	24,673.40	1034.28
Non-Resident - Year 2 (33 SCH)	15,147.00	5,181.00		3,652.90	23,980.90	1003.86
<b>Graduate</b>						
Resident - Year 1 (24 SCH)	1,200.00	3,768.00	1,200.00	3,564.40	9,732.40	579.60
Resident - Year 2 (18 SCH)	900.00	2,826.00	900.00	2,955.40	7,581.40	434.70
Non-Resident - Year 1 (24 SCH)	11,016.00	3,768.00	1,200.00	3,564.40	19,548.40	730.08
Non-Resident - Year 2 (18 SCH)	8,262.00	2,826.00	900.00	2,955.40	14,943.40	547.56
<b>Pharmacy - Resident</b>						
Year 1 (41 SCH)	2,050.00	9,143.00	4,100.00	2,959.90	18,252.90	1,396.05
Year 2 - 3 (38 SCH)	1,900.00	8,474.00	3,800.00	2,880.40	17,054.40	1,293.90
Year 4 (52 SCH)	2,600.00	11,596.00	5,200.00	3,908.40	23,304.40	1,770.60
<b>Pharmacy - Non-Resident</b>						
Year 1 (41 SCH)	18,819.00	9,143.00	4,100.00	2,959.90	35,021.90	1,653.12
Year 2 – 3 (38 SCH)	17,442.00	8,474.00	3,800.00	2,880.40	32,596.40	1,532.16
Year 4 (52 SCH)	23,868.00	11,596.00	5,200.00	3,908.40	44,572.40	2,096.64

NOTE: A fixed international student fee of \$50 is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); \$2 for each semester hour for which a doctoral student is enrolled is set aside for the Doctoral Loan Incentive Program (Section 56.095); from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Of the set-aside from Board Designated Tuition for resident undergraduate students, 5% charged to resident undergraduate students in excess of \$46 per semester hour is deposited in

the State Treasury into the Texas B-On-Time Loan Program (Section 56.465). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance for full-time resident and non-resident students at the Health Sciences Center at El Paso.

**Health Sciences Center at El Paso  
Tuition and Fees  
Academic Year 2019-2020**

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
<b>M.D. Resident Year 1 – 2</b>	6,550.00	9,520.00	0.00	3,497.80	19,567.80	2,141.40
<b>M.D. Resident Year 3 – 4</b>	6,550.00	9,520.00	0.00	3,397.80	19,467.80	2,141.40
<b>M.D. Non-Resident Year 1 – 2</b>	19,650.00	9,520.00	0.00	3,497.80	32,667.80	1,748.40
<b>M.D. Non-Resident Year 3 – 4</b>	19,650.00	9,520.00	0.00	3,397.80	32,567.80	1,748.40
<b>Nursing</b>						
<b>Undergrad</b>						
<b>Resident - Year 1 (34 SCH)</b>	1,650.00	4,983.00	0.00	2,195.70	8,828.70	767.25
<b>Resident - Year 2 (33 SCH)</b>	1,600.00	4,832.00	0.00	2,160.20	8,592.20	744.00
<b>Non-Resident - Year 1 (34 SCH)</b>	15,576.00	4,983.00	0.00	2,195.70	22,754.70	987.03
<b>Non-Resident - Year 2 (33 SCH)</b>	15,104.00	4,832.00	0.00	2,160.20	22,096.20	957.12
<b>Graduate</b>						
<b>Resident - Year 1 (24 SCH)</b>	900.00	2,646.00	900.00	1,760.40	6,206.40	407.70
<b>Resident - Year 2 (18 SCH)</b>	900.00	2,646.00	900.00	1,760.40	6,206.40	407.70
<b>Non-Resident - Year 1 (24 SCH)</b>	8,496.00	2,718.00	900.00	1,967.40	14,081.40	538.38
<b>Non-Resident - Year 2 (18 SCH)</b>	8,496.00	2,718.00	900.00	1,967.40	14,081.40	538.38
<b>Graduate School of Biomedical Sciences</b>						
<b>Resident Year 1-2 (18 SCH)</b>	900.00	1,800.00	360.00	1,303.20	4,363.20	280.80
<b>Non-Resident Year 1-2(18 SCH)</b>	8,496.00	1,800.00	360.00	1,303.20	11,959.20	400.68

NOTE: A fixed international student fee of \$50 is charged to all non-immigrant visa students for each term in which they enroll in the University System. Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); from Board Designated Tuition no less than 15% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). In addition, 15% of Board Designated Tuition charged to non-resident students in excess of \$46 per semester hour is set aside to provide financial assistance for non-resident students.

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Investment Programs and Policies. The Board is responsible for investment of University System funds held outside the State Treasury. To facilitate the investment of the University System funds, the Board has created two separate investment pools designated as the Short/Intermediate Term Investment Fund (the “SITIF”) and the Long-Term Investment Fund (the “LTIF”), which are governed overall by Regents’ Rules Chapter 09 “Investments and Endowments”, and individually by the Investment Policy Statement of each pool, codified as Board Policy Statements. The Cash Pool and Short Term Pool of the SITIF is centrally managed within the University System Office of Treasury under the direction of the Treasurer. The Intermediate Term Pool of the SITIF and the LTIF is centrally managed within the University System Office of Investments under the direction of the Chief Investment Officer.

Set forth below is the market value for each of the funds managed by the Board as of the end of the most recent five Fiscal Years.

**Market Value of Investment Funds  
(In Thousands)**

<b>August 31</b>	<b>Short Intermediate Term Fund<sup>(1)</sup></b>	<b>Long Term Fund</b>	<b>Angelo State &amp; Carr Foundation – Other<sup>(2)</sup></b>	<b>Unspent Bond Proceeds<sup>(3)</sup></b>	<b>Total Market Value</b>
2015	1,067,550	1,045,577	42,555	28,695	2,184,377
2016	1,186,906	1,028,641	42,128	11,527	2,269,202
2017	1,223,008	1,138,722	22,994	222,456	2,607,180
2018	1,393,231	1,211,115	21,805	129,833	2,755,984
2019	1,334,697	1,184,201	17,674	65,923	2,602,495

Notes: (1) SITIF balance excludes demand depository accounts which are referenced in the SITIF allocation and MV chart below. (2) The “ASU & Carr Foundation” column includes assets held outside of the SITIF and LTIF for ASU and the Carr Foundation. (3) The “Unspent Bond Proceeds” column includes \$12,470 (in thousands) of unspent bond proceeds in demand depository accounts.

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The Short/Intermediate Term Investment Fund. The SITIF is a short/intermediate term pooled investment fund created by the Board for the collective investment of institutional funds of the University System. Except for endowment funds (and certain eligible institutional funds treated as endowments), all institutional funds of the University System are invested in the SITIF.

Set forth below is the asset allocation of the SITIF as of August 31, 2019. Currently, Angelo State University does not fully participate in the SITIF.

**Asset Allocation for the Short/Intermediate Term Fund  
(in Thousands)**

Description	Allocation Percentage	Market Value
<u>Cash Pool</u>		
Depository Accounts	7.21%	\$103,698
Money Market Funds	0.39%	5,547
Gov't Investment Pools	6.18%	88,920
Total Cash Pool	<u>13.78%</u>	<u>\$198,165</u>
<u>Short Term Pool</u>		
Money Market Fund	1.25%	\$17,996
U.S. Municipal Securities	1.04%	14,897
U.S. Agency Securities	20.96%	301,512
U.S. Treasury Securities	6.96%	100,071
Total Short Term Pool	<u>30.21%</u>	<u>\$434,476</u>
<u>Intermediate Investment Fund</u>		
Money Market Fund	0.84%	\$12,099
Fixed Income	12.98%	186,692
Equities	14.00%	201,324
Diversifying Assets	15.61%	224,517
Private Credit	12.10%	174,037
Portfolio Hedge	0.49%	7,073
Total Intermediate Investment Fund	<u>56.02%</u>	<u>\$805,742</u>
Total Short/Intermediate Term Fund	<u>100.00%</u>	<u>\$1,438,383</u>

The Long-Term Investment Fund. The University System is benefited by certain eligible endowments and board approved institutional funds treated as endowments (“quasi-endowments”) collectively invested in the LTIF. The LTIF is a unitized pooled investment fund consisting of marketable securities and investments, land and other real estate holdings and mineral rights managed by unaffiliated investment managers selected by the Board upon the recommendation of the Investment Advisory Committee. To qualify for investment in the LTIF, endowment funds must be under the sole control of the Board and must not have donor-imposed restrictions that prevent investment in equity securities or corporate debt, or prevent the expenditure of net realized appreciation. Endowment funds not meeting these requirements are invested in the SITIF or, if instructed by the donor, managed and safeguarded in their original form. The LTIF in its entirety is not classified as pledged revenues or fund balance to the payment of debt obligations. However, quasi-endowments and earning distributions are pledgeable.

Set forth below is the asset allocation of the Long Term Investment Fund (LTIF) managed by the Board and Assets held outside of the SITIF and LTIF for the ASU and Carr Foundation Investments as of August 31,2019.

**Asset Allocation for the Long Term Investment Fund  
(in Thousands)**

Description	Allocation Percentage	Market Value
Equities	29.07%	\$344,212
Fixed Income	20.60%	243,931
Diversifying Assets	13.07%	154,764
Private Investments	30.39%	359,853
Portfolio Hedge	1.29%	15,296
Liquidating	0.63%	7,494
Money Market & Alpha Pool	4.95%	58,651
<b>Total</b>	<b>100.00%</b>	<b>\$1,184,201</b>

**Allocation of Assets held outside of SITIF, LTIF for ASU & Carr  
Foundation  
(in Thousands)**

Description	Allocation Percentage	Market Value
Mineral Rights	79.04%	\$17,234
Cash and Cash Equivalents	20.96%	\$4,571
<b>Total</b>	<b>100.00%</b>	<b>\$21,805</b>

Note: Angelo State University was added to Texas Tech University System on September 1, 2007. A portion of its assets and those of its related Carr Foundation outside of the Long Term Investment Fund are included here as managed investments.

Set forth below is the market value for the University System endowment including funds managed by the Board and funds managed by third-parties as of the end of the most recent five Fiscal Years (as reported to the National Association of College and University Business Officers' ("NACUBO") Commonfund Study of Endowments Report).

**Board Managed and Third-Party Managed -  
Market Value of Endowments  
(in Thousands)**

2015	2016	2017	2018	2019
\$1,155,651	\$1,150,267	\$1,256,303	\$1,330,889	\$1,198,359

[End]