

**CONTINUING DISCLOSURE ANNUAL REPORT**

**Filed by**

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



**FISCAL YEAR 2023**

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>
Mrs. Ginger Kerrick Davis .....	January 31, 2025 .....	Webster, TX
Mr. Mark Griffin .....	January 31, 2025 .....	Lubbock, TX
Mr. Dusty Womble .....	January 31, 2025 .....	Lubbock, TX
Ms. Arcilia Acosta .....	January 31, 2027 .....	Dallas, TX
Mr. Cody Campbell .....	January 31, 2027 .....	Fort Worth, TX
Mr. Pat Gordon .....	January 31, 2027 .....	El Paso, TX
Mr. Clay Cash .....	January 31, 2029 .....	Lubbock, TX
Mr. Tim Culp .....	January 31, 2029 .....	Midland, TX
Mrs. Shelley Sweatt .....	January 31, 2029 .....	Wichita Falls, TX

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

Ms. Steeley Smith ..... May 31, 2024 ..... Mason, TX

Officers of the Board

Mr. Mark Griffin ..... Chairman  
Mrs. Ginger Kerrick Davis ..... Vice Chairman  
Mr. Keino McWhinney ..... Secretary

Principal Administrators

<u>Name</u>	<u>Title</u>
Dr. Tedd L. Mitchell .....	Chancellor
Mr. James Mauldin .....	Vice Chancellor and Chief Financial Officer
Lt. Gen. Ronnie D. Hawkins Jr. ....	ASU President
Dr. Stacia Haynie .....	MSU President
Dr. Lawrence Schovanec .....	TTU President
Dr. Lori Rice-Spearman .....	TTUHSC 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” or “TTUS”) in compliance with the contractual undertaking (“Undertaking”) to provide annual reports of quantitative financial information and operating data (the “Annual Report”), 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 Annual 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 five component institutions – Texas Tech University, Texas Tech University Health Sciences Center – Lubbock, Angelo State University, Midwestern State University, and Texas Tech University Health Sciences Center at El Paso. The Board consists of nine members, each of whom are appointed by the Governor of the State of Texas to six-year staggered terms with three new appointments made to the Board every two years. The Board also has one student Regent that serves a one-year term. The Chancellor is the chief executive officer of the University System and is appointed by, and reports directly to, the Board. The Chancellor is supported by the Texas Tech University System Administration.

The University System employs more than **21,000** faculty and staff. The annual combined budget of the University System is approximately \$2.93 billion. Approximately \$711 million of these funds are appropriated by the Texas Legislature and about \$243 million are used in research expenditures annually. The total enrollment across all components is more than 63,400 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” or Texas Tech) is a major comprehensive, multi-faceted research university with more than 40,700 students pursuing 150 undergraduate, 100 graduate or 50 doctoral degrees in 15 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 85 percent of Texas Tech students are Texans with 5 percent coming from foreign countries. In Fall 2019, Texas Tech achieved full status as a Hispanic Serving Institution (“HSI”). In the Fall of 2021, Texas Tech boasted an undergraduate enrollment with a Hispanic population of 27 percent. In addition, 8,138 or approximately 20 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 celebrated 100 years of education in 2023.

Texas Tech University Health Sciences Center (“TTUHSC”) has an enrollment of over 4,800 students in its six schools of Medicine, Nursing, Health Professions, Pharmacy and Graduate School of Biomedical Sciences, and School of Population and Public Health. 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. TTUHSC is also home to five specialized institutes that strategically focus on rural and community health, women’s health, aging, clinical research, and anatomical sciences through interdisciplinary collaboration.

The Texas Tech Physicians (“TTP”), an academic non-profit medical practice comprised of faculty and staff from the TTUHSC, serves more than 253,000 patients annually in 108-county area stretching from Texas Panhandle south to the Permian Basin and west into New Mexico covering close to 50% of Texas’ land mass. 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 31,000 adult offender patients in 23 TDCJ units. 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’s Budget process. These services from TTUHSC are accredited by the American Correctional Association.

Angelo State University (“ASU”) based in San Angelo, was established in 1928 as San Angelo College; in 1965 new legislation was passed to create ASU. ASU’s campus covers more than 268 acres and enrolls more than 11,250 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 ASU were transferred from the Texas State University System to the University System, effective September 1, 2007.

ASU boasts a 19:1 student to faculty ratio within its 50 undergraduate, 28 graduate, and 4 doctoral programs. ASU is both a Military Friendly School and HSI.

Texas Tech University Health Sciences Center at El Paso (“TTUHSC El Paso”) was established as the fourth independent university in the 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 of 922 students, the TTUHSC El Paso Paul L. Foster School of Medicine, Gayle Greve Hunt School of Nursing, Graduate School of Biomedical Sciences, and Woody L. Hunt School of Dental Medicine offer comprehensive education programs at the undergraduate and graduate level, preparing them for competitive careers in the health care field. 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.

Midwestern State University (“MSU”) established in 1922 and located in Wichita Falls, Texas, became the fifth member institution of the University System on June 8, 2021. MSU offers more than 75 majors of undergraduate and graduate programs. With enrollment of 5,570, MSU is the only Texas university to become a member of the Council of Public Liberal Arts Colleges. MSU brings a spirit of competition to 13 NCAA Division II athletic programs. In 2018, a student learning center opened in Flower Mound, Texas. MSU commemorated 100 years of education in 2022.

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.

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## **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. All financial sums include MSU. At the publishing of this report, MSU's prior encumbered parity obligations are *not* part of the University System Revenue Financing System ("RFS") Parity Obligations and are reported separately within this disclosure.

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

<b><u>Pledged Revenues and Balances Available for Debt Service (\$000)</u></b>					
	2019	2020	2021	2022	2023
Available Pledged Revenues Not Including Fund Balances <sup>(1)</sup>	\$758,582	\$757,337	\$834,127	\$795,951	\$932,849
Available Pledged Revenues Fund Balances <sup>(2)</sup>	\$922,895	\$946,493	\$962,499	\$1,256,623	\$914,843
<b>Total Pledged Revenues and Pledged Fund Balances</b>	<b>\$1,681,477</b>	<b>\$1,703,830</b>	<b>\$1,796,626</b>	<b>\$2,052,574</b>	<b>\$1,847,692</b>

<sup>(1)</sup> Excludes (i) amounts received from the Higher Education Fund pursuant to Article VII, Section 17 of the State Constitution. See "Additional Sources of Payments: HEF and Additional Appropriations" below.

<sup>(2)</sup> 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)</u></b>					
	2021	2022	2023	2024	2025
Available HEF Appropriations	\$88,810	\$88,810	\$88,811	\$91,490	\$91,490
Additional Appropriations	\$12,500	-	-	-	-
<b>Total</b>	<b>\$101,310</b>	<b>\$88,810</b>	<b>\$88,811</b>	<b>\$91,490</b>	<b>\$91,490</b>

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## **Outstanding Obligations as of December 1, 2023**

### **TTUS Outstanding Parity Obligations & Other Debt Obligations**

	Total
TTUS RFS Tax-Exempt Bonds 2015A	\$56,970,000
TTUS RFS Taxable Bonds 2015B	\$94,490,000
TTUS RFS Tax-Exempt Bonds 2017A	\$57,705,000
TTUS RFS Taxable Bonds 2017B	\$173,635,000
TTUS RFS Taxable Bonds 2020	\$283,715,000
TTUS RFS Tax-Exempt Bonds 2023A	\$193,625,000
TTUS RFS Taxable Bonds 2023B	\$56,400,000
<b>Total TTUS RFS Parity Obligations</b>	<b>\$916,540,000</b>
<b>RRFF - Interim Financing Loans</b>	<b>\$250,000,000</b>
<b>Total Outstanding Debt Obligations</b>	<b>\$1,166,540,000</b>

### **MSU Outstanding Parity Obligations**

	Total
MSU RFS Series 2012B	\$1,240,000
MSU RFS Series 2015A	\$46,465,000
MSU RFS Series 2016A	\$55,175,000
MSU RFS Series 2016B	\$9,085,000
<b>Total</b>	<b>\$111,965,000</b>

Note: MSU's Prior Encumbered Outstanding Parity Obligations are excluded from the outstanding TTUS Parity Obligations and are secured solely by MSU pledged revenues. In the event MSU refinances the prior encumbered parity obligations as part of a TTUS Bond issuance, these obligations will become part of the TTUS RFS Parity Obligations. MSU debt outstanding is recognized in the TTUS FY23ACFR according to GASB guidelines.

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Set forth below is a summary of the debt service requirements of the TTUS & RRFF Parity Obligations outstanding as of December 1, 2023, excluding commercial paper:

DEBT SERVICE REQUIREMENTS

As of December 1, 2023 to Maturity

Date	Principal	Interest	Total
12/1/2023	-	-	-
12/1/2024	65,790,000	32,515,686	98,305,686
12/1/2025	317,880,000	30,118,226	347,998,226
12/1/2026	62,670,000	27,885,869	90,555,869
12/1/2027	56,975,000	25,752,066	82,727,066
12/1/2028	57,885,000	23,677,822	81,562,822
12/1/2029	59,200,000	21,491,976	80,691,976
12/1/2030	69,435,000	19,132,253	88,567,253
12/1/2031	55,850,000	16,791,376	72,641,376
12/1/2032	50,100,000	14,624,703	64,724,703
12/1/2033	41,430,000	12,657,073	54,087,073
12/1/2034	41,725,000	10,832,774	52,557,774
12/1/2035	46,915,000	8,952,325	55,867,325
12/1/2036	33,560,000	7,276,403	40,836,403
12/1/2037	14,280,000	6,285,536	20,565,536
12/1/2038	14,850,000	5,723,142	20,573,142
12/1/2039	13,650,000	5,172,707	18,822,707
12/1/2040	148,575,000	2,729,164	151,304,164
12/1/2041	5,325,000	463,673	5,788,673
12/1/2042	1,845,000	342,640	2,187,640
12/1/2043	1,920,000	269,828	2,189,828
12/1/2044	1,995,000	194,081	2,189,081
12/1/2045	2,075,000	115,295	2,190,295
12/1/2046	495,000	67,993	562,993
12/1/2047	505,000	53,603	558,603
12/1/2048	520,000	38,853	558,853
12/1/2049	535,000	23,672	558,672
12/1/2050	555,000	7,986	562,986
Total	1,166,540,000	273,196,722	1,439,736,722

Note: The notes related to the RRFF interim financing mature in FY25. At time of project completion, expected in the Fall of 2024, TTUS will issue bonds in the full amount of the project and assume full ownership. This debt service does not include any prior encumbered parity obligations of MSU before 9/1/2021 when it became a member of the University System.



MSU DEBT SERVICE  
As of December 1, 2023 to Maturity

Date	Principal	Interest	Total
12/1/2023	6,450,000	2,378,523	8,828,523
12/1/2024	6,790,000	4,464,857	11,254,857
12/1/2025	6,505,000	4,155,063	10,660,063
12/1/2026	6,855,000	3,848,068	10,703,068
12/1/2027	7,225,000	3,523,290	10,748,290
12/1/2028	6,835,000	3,179,136	10,014,136
12/1/2029	7,010,000	2,896,705	9,906,705
12/1/2030	7,350,000	2,604,461	9,954,461
12/1/2031	7,695,000	2,296,619	9,991,619
12/1/2032	7,630,000	1,993,696	9,623,696
12/1/2033	7,580,000	1,674,532	9,254,532
12/1/2034	6,350,000	1,374,769	7,724,769
12/1/2035	5,715,000	1,121,706	6,836,706
12/1/2036	1,870,000	893,106	2,763,106
12/1/2037	2,000,000	818,306	2,818,306
12/1/2038	2,135,000	738,306	2,873,306
12/1/2039	2,270,000	652,906	2,922,906
12/1/2040	2,415,000	562,106	2,977,106
12/1/2041	2,565,000	465,506	3,030,506
12/1/2042	2,735,000	359,700	3,094,700
12/1/2043	2,905,000	246,881	3,151,881
12/1/2044	3,080,000	127,050	3,207,050
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Total	111,965,000	40,375,294	152,340,294

Note: The MSU debt schedule is solely for prior encumbered parity obligations as part of the MSU Revenue Finance System (RFS) prior to its membership into the University System on 9/1/2021.

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## Enrollment

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

Headcount Enrollment Information					
<u>Undergraduate</u>	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Texas Tech University	32,125	33,269	33,256	32,729	32,635
Health Sciences Center	1,478	1,393	1,468	1,448	1,374
Health Sciences Center at El Paso	300	288	267	258	235
Angelo State University	9,046	9,190	9,213	9,144	9,623
Midwestern State University	N/A	N/A	5,041	4,818	4,508
<b>Undergraduate Total</b>	<b>42,949</b>	<b>44,140</b>	<b>49,245</b>	<b>48,397</b>	<b>48,375</b>
<u>Graduate &amp; Professional</u>					
Texas Tech University	6,617	7,053	7,410	7,799	8,138
Health Sciences Center	3,816	3,892	3,910	3,688	3,516
Health Sciences Center at El Paso	465	487	518	597	687
Angelo State University	1,522	1,585	1,613	1,456	1,627
Midwestern State University	N/A	N/A	756	966	1,065
<b>Graduate Total</b>	<b>12,420</b>	<b>13,017</b>	<b>14,207</b>	<b>14,506</b>	<b>15,033</b>
<b>Total</b>	<b>55,369</b>	<b>57,157</b>	<b>63,452</b>	<b>62,903</b>	<b>63,408</b>
Full-Time Equivalent Enrollment Information					
<u>Undergraduate</u>	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Texas Tech University	29,416	30,729	30,754	30,645	30,811
Health Sciences Center	1,401	1,327	1,393	1,330	1,319
Health Sciences Center at El Paso	268	263	243	243	223
Angelo State University	7,113	6,990	6,862	6,679	6,943
Midwestern State University	N/A	N/A	4,093	3,827	3,619
<b>Undergraduate Total</b>	<b>38,198</b>	<b>39,309</b>	<b>43,345</b>	<b>42,724</b>	<b>42,914</b>
<u>Graduate &amp; Professional</u>					
Texas Tech University	4,511	5,259	5,550	6,013	6,340
Health Sciences Center	3,305	3,364	3,330	3,161	3,029
Health Sciences Center at El Paso	459	486	516	595	682
Angelo State University	1,222	1,283	1,313	1,160	1,321
Midwestern State University	N/A	N/A	452	612	701
<b>Graduate Total</b>	<b>9,497</b>	<b>10,392</b>	<b>11,161</b>	<b>11,541</b>	<b>12,073</b>
<b>Total</b>	<b>47,695</b>	<b>49,701</b>	<b>54,506</b>	<b>54,265</b>	<b>54,987</b>

Note: Enrollment numbers for MSU are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

## **Admissions and Matriculation**

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

<b>Admissions and Matriculation Information</b>										
	2019	%	2020	%	2021	%	2022	%	2023	%
<b><u>Freshman:</u></b>										
Applications Submitted	44,509	-	47,717	-	57,174	-	55,574	-	56,451	-
Applications Accepted	22,695	51	25,548	54	31,113	54	33,931	61	34,708	61
Matriculation	9,544	42	9,774	38	10,611	34	10,616	31	11,297	33
Matriculation from outside state	457	5	539	6	795	7	872	8	762	7
<b><u>Transfers:</u></b>										
Applications Submitted	5,978	-	6,448	-	7,129	-	6,587	-	6,395	-
Applications Accepted	4,694	79	5,139	80	5,606	79	4,981	76	4,982	78
Matriculation	3,195	68	3,301	64	3,530	63	3,234	65	3,201	64
Matriculation from outside state	288	9	259	8	391	11	359	11	376	12
<b><u>Graduates:</u></b>										
Applications Submitted	11,156	-	12,814	-	16,790	-	17,546	-	19,911	-
Applications Accepted	4,070	36	5,447	43	6,254	37	7,585	43	8,324	42
Matriculation	2,559	63	2,899	53	3,111	50	3,517	46	3,668	44
Matriculation from outside state	741	29	721	25	1,026	33	1,198	34	1,296	35

Note: Admissions and matriculation numbers for MSU are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

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## **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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Texas Tech University	8,480	8,572	8,980	9,140	9,881
Angelo State	1,817	1,902	1,878	2,002	1,848
Health Sciences Center	2,295	2,325	2,280	2,458	2,383
Health Sciences Center at El Paso	263	305	323	284	286
Midwestern State University	N/A	N/A	1,349	1,395	1,414
Total	12,855	13,104	14,810	15,279	15,812

Note: Degree numbers for MSU are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

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## **FINANCIAL MANAGEMENT - 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 Annual Comprehensive Financial Report ("ACFR"), 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 ACFR. 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, 2019 through 2023.

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

**As of August 31**

**(In Thousands)**

<b>Assets:</b>	<b>Restated 2019</b>	<b>Restated 2020</b>	<b>Restated 2021</b>	<b>Restated 2022</b>	<b>Restated 2023</b>
Current Assets	\$830,087	\$717,904	\$740,275	\$821,928	\$929,024
Capital Assets, Net	1,715,867	1,779,293	1,842,111	1,904,221	2,062,960
Other Assets	2,327,125	2,436,873	2,608,658	3,114,431	3,281,909
<b>Total Assets</b>	<b>\$4,873,079</b>	<b>\$4,934,070</b>	<b>\$5,191,044</b>	<b>\$5,840,580</b>	<b>\$6,273,893</b>
 Deferred Outflows of Resources:					
Total Deferred Outflows of Resources	\$45,894	\$796,317	\$710,618	\$534,081	\$406,266
 Liabilities:					
Current Liabilities	\$535,381	\$560,348	\$554,015	\$619,825	\$690,551
Non-Current Liabilities	1,237,266	1,817,883	2,062,500	2,021,871	2,071,371
<b>Total Liabilities</b>	<b>\$1,772,647</b>	<b>\$2,378,231</b>	<b>\$2,616,515</b>	<b>\$2,641,796</b>	<b>\$2,761,922</b>
 Deferred Inflows of Resources:					
Total Deferred Inflows of Resources	\$121,517	\$360,314	\$331,763	\$334,248	\$391,309
 Net Position:					
Invested in Capital Assets, Net of Related Debt	\$1,016,654	\$1,081,350	\$1,129,812	\$1,149,262	\$1,195,007
Restricted					
Expendable	577,196	512,744	502,411	715,988	769,217
Non-Expendable	729,343	758,054	786,164	828,325	895,202
Unrestricted	701,616	639,696	534,994	705,040	667,502
<b>Total Net Position</b>	<b>\$3,024,809</b>	<b>\$2,991,844</b>	<b>\$2,953,381</b>	<b>\$3,398,616</b>	<b>\$3,526,928</b>

Note: Net position for 2018-2020 does not include MSU which was reported independently.

Set forth below reflects the condensed statement of revenues, expenses, and changes in net position of the University System as of August 31, 2019 through 2023.

**Condensed Statement of Revenues, Expenses, and Changes in Net Position (unaudited) as of August 31, 2023**

	<b>(In Thousands)</b>				
	<b>Restated 2019</b>	<b>2020</b>	<b>Restated 2021</b>	<b>Restated 2022</b>	<b>2023</b>
Operating Revenues	\$1,331,406	\$1,332,738	\$1,348,554	\$1,585,653	\$1,649,669
Operating Expenses	\$2,132,971	\$2,190,441	\$2,160,235	\$2,475,357	\$2,617,974
<b>Operating Income (Loss)</b>	<b>(\$801,565)</b>	<b>(\$857,703)</b>	<b>(\$811,681)</b>	<b>(\$889,704)</b>	<b>(\$968,306)</b>
Non-Operating Revenues (Expenses)	\$589,654	\$676,123	\$1,116,083	\$695,906	\$1,006,400
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(\$211,907)	(\$181,579)	\$304,402	(\$193,798)	\$38,094
Other Revenues, Expenses, Gains, Losses and Transfers	\$178,942	\$143,119	\$165,391	\$371,909	\$200,306
<b>Changes in Net Position</b>	<b>(\$32,965)</b>	<b>(\$38,460)</b>	<b>\$469,793</b>	<b>\$178,111</b>	<b>\$238,400</b>
<b>Beginning Net Position (September 1)</b>	<b>\$3,024,809</b>	<b>\$2,991,843</b>	<b>\$2,953,383</b>	<b>\$3,423,235</b>	<b>\$3,524,090</b>
<b>Restatement of Beginning Net Position</b>	<b>\$3,024,808</b>	<b>\$2,991,843</b>	<b>\$2,928,823</b>	<b>\$3,345,979</b>	<b>\$3,526,928</b>
<b>Ending Net Position (August 31)</b>	<b>\$2,991,843</b>	<b>\$2,953,383</b>	<b>\$3,398,616</b>	<b>\$3,524,090</b>	<b>\$3,765,328</b>

Note: Changes in net position for 2018-2020 do not include MSU which was reported independently.

Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2019 through 2023.

	<b><u>Restated 2019</u></b>	<b><u>2020</u></b>	<b><u>Restated 2021</u></b>	<b><u>Restated 2022</u></b>	<b><u>2023</u></b>
<b>Cash Flow From</b>					
Operating Activities	\$(508,233)	\$(544,624)	\$(521,970)	\$(630,224)	\$(675,497)
Non-capital Financing Activities	606,121	701,261	688,842	892,364	830,704
Capital and Related Financing Activities	(173,638)	17,011	(159,354)	(108,853)	88,741
Investing Activities	(132,353)	(40,320)	(79,137)	(135,494)	(27,173)
Total Net Cash Flows	(208,103)	133,328	(71,619)	17,794	216,774
Cash & Cash Equivalents, Beginning of Year Sept 1	546,185	335,807	469,135	397,517	415,310
Restatement to Beginning Cash & Cash Equivalents	(2,276)	-	-	-	(230)
<b>Ending Cash &amp; Cash Equivalents - August 31</b>	<b>\$335,806</b>	<b>\$469,135</b>	<b>\$397,516</b>	<b>\$415,311</b>	<b>\$631,855</b>

Note: Cash Flows for 2018-2020 does not include MSU which was reported independently.

## Selected Financial Information

State General Revenue 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 Capital Construction Assistance Projects for certain debt service. Further information on those are detailed below. The most recent legislative session (the 88<sup>th</sup>) ended on May 29, 2023 of which the State Legislature adopted a budget for the 2024-25 biennium beginning September 1, 2023. 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.

Numbers below indicate State Formula Funding (less Board Authorized Tuition) for each member institution in the following amounts for Fiscal Years 2021 through 2025

	<b>State Formula Funding by Institution</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Angelo State University	\$25,184,302	\$25,028,195	\$25,028,195	\$26,590,193	\$26,590,193
Health Sciences Center	114,608,794	110,022,589	110,022,589	101,323,271	101,323,271
Health Sciences Center at El Paso	25,184,302	25,028,196	25,028,196	29,083,535	29,083,535
Midwestern State University	17,667,024	16,629,921	16,629,921	18,483,259	18,483,259
Texas Tech University	161,876,869	174,988,063	174,988,063	243,086,083	243,086,083
<b>Total</b>	<b>\$344,521,291</b>	<b>\$351,696,964</b>	<b>\$351,696,964</b>	<b>\$418,566,341</b>	<b>\$418,566,341</b>

Note: State Formula Funding for FY 2019 & FY 2020 does not include MSU which was reported independently.

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 2019 through 2023 is set forth below:

	<b>Higher Education Fund Appropriations</b>				
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Angelo State University	\$5,320,102	\$5,320,102	\$6,792,999	\$6,792,999	\$6,792,999
Health Sciences Center	23,372,396	23,372,396	23,372,396	23,372,396	23,372,396
Health Sciences Center El Paso	6,234,075	6,234,075	5,557,572	5,557,572	5,557,572
Midwestern State University	5,061,412	5,061,412	4,933,200	4,933,200	4,933,200
Texas Tech University	49,225,809	49,225,809	49,874,746	49,874,746	49,874,746
<b>Total</b>	<b>\$84,152,382</b>	<b>\$84,152,382</b>	<b>\$90,530,913</b>	<b>\$90,530,913</b>	<b>\$90,530,913</b>

Note: HEF appropriations for MSU are reported but excluded for FY 2019 and FY 2020 University System totals. These totals reflect HEF appropriations prior to its membership into the University System on 09/01/2021.

Capital Construction Assistance Projects (“CCAP”) A portion of future Parity Obligations of the University System will constitute CCAP Bonds authorized by the Texas Legislature for specific capital improvement projects, to be repaid by the institution by revenues from tuition. Though legally secured through an institution’s tuition and fee revenue, historically the state has used general revenue to reimburse the universities for debt service for these bonds. These Parity Obligations are defined by Texas Senate Bill 52 amending Chapter 55 of the Texas Education Code.

Set forth below reflects the Capital Construction Assistance Project Appropriations in Fiscal Year 2021 through 2025

**2021-2025 State Capital Construction Assistance Projects (CCAP) Appropriations  
(In Thousands)**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Texas Tech University	\$13,494	\$13,920	\$13,208	\$15,758	\$15,780
Health Sciences Center	11,856	10,024	8,293	15,077	15,080
Angelo State University	2,860	2,669	1,711	4,823	4,818
TTUHSC at El Paso	14,046	13,109	10,827	15,998	16,005
Midwestern State University	-	-	-	8,378	8,374
System Administration	-	-	-	-	-
<b>Total CCAPs</b>	<b>\$42,256</b>	<b>\$39,722</b>	<b>\$34,039</b>	<b>\$60,032</b>	<b>\$60,057</b>

Note: CCAPs were formerly referred to as TRBs

Texas University Fund In the 2023 88th Legislature, Regular Session, the State Legislature passed House Joint Resolution 3 (“HJR 3”), as enabled by H.B. 1595 (“HB 1595”), which proposed an amendment to the Texas Constitution to rename the National Research University Fund (“NRUF”) as the Texas University Fund (“TUF”) and modify its structure to add funding sources to the TUF and offer certain institutions performance-based funding driven by research expenditures. Enactment of this constitutional amendment was approved at an election held on November 7, 2023. The TUF is funded with an initial appropriation of \$3 billion from the State’s general revenue fund, plus the current NRUF balance of over \$900 million, along with annual appropriations of up to \$100 million from the Economic Stabilization Fund.

Under the new structure, eligible institutions will receive a base funding amount dependent on the institution’s research expenditures, as well as supplemental funding tied to the amount federal and private research expenditures made and number of research doctoral degrees awarded. Initially, Texas Tech, Texas State University, the University of Houston and the University of North Texas are eligible to receive distributions from the TUF. Of the distributions to be made from the TUF, (i) 75% will be allocated to the Permanent Endowment for Education, and (ii) 25% will be allocated on the basis of federal and private grant money and the number of research doctorates awarded. The University System anticipates Texas Tech will initially receive almost 33% of the annual distribution of the TUF funding described above. Eligible institutions may use distributions from the TUF only for the support and maintenance of educational and general activities that promote increased research capacity at the institution, in a manner that aligns with the goals of the State’s master plan for higher education developed under Section 61.051, Texas Education Code.

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 TTU and ASU 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 TTU or ASU 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 not to 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.

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Set forth below are tables showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance to resident undergraduates (excludes the TTUHSC and the TTUHSC at El Paso), for the 2023-24 academic year and the fixed rate tuition and fees for the 2023 Fall cohort based on 15 semester credit hours.

**Tuition and Fees**  
**Academic Year 2023-2024**

	<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>
Texas Tech University	\$750.00	\$3,195.00	\$750.00	\$1,458.50	<b>\$6,153.50</b>
Angelo State University	\$750.00	\$2,059.50	\$0.00	\$1,912.00	<b>\$4,721.50</b>
Midwestern State University	\$750.00	\$2,188.50	\$0.00	\$2,306.45	<b>\$5,244.95</b>

**Fixed Rate Plan Tuition and Fees**

**Fall 2023 Cohort**

Texas Tech University	\$750.00	\$4,785.00	\$750.00	\$1,458.50	<b>\$7,743.50</b>
Angelo State University	\$750.00	\$2,193.75	\$0.00	\$1,845.50	<b>\$4,789.25</b>
Midwestern State University	\$750.00	\$2,188.50	\$0.00	\$1,949.45	<b>\$4,887.95</b>

Note: Excludes the TTUHSC and the TTUHSC at El Paso. Total tuition and fees include amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code.

The Board may set rates for graduate tuition at different levels for different institutions. State Mandated Tuition for a resident student enrolled in a program leading to an M.D. degree is \$6,550 per academic year. State Mandated Tuition for a nonresident student enrolled in a program leading to an M.D. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. degree would pay during the corresponding academic year. In addition, various other programs have specific annual rates for resident students and maximum rates that may be charged to nonresident students. For more detailed information regarding tuition and fees charged by the University System member institutions, reference is made to the respective member institutions' websites.

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## **Investments**

**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 Comprehensive Cash and Investment Pool (the “CCIP”), 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 CCIP is centrally managed within the University System Office of Treasury under the direction of the Treasurer. 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.

<b>Market Value of Investment Funds</b> <b>(in Thousands)</b>				
Year	Comprehensive Cash and Investment Pool (CCIP)	Long-Term Investment Fund	Unspent Bond Proceeds	Total Market Value
2019	\$1,334,697	\$1,184,201	\$65,923	\$2,584,821
2020	\$1,405,397	\$1,175,295	\$163,544	\$2,744,236
2021	\$1,522,849	\$1,540,826	\$81,419	\$3,145,094
2022	\$1,675,144	\$1,564,200	\$61,929	\$3,301,273
2023	\$1,978,056	\$1,605,347	\$319,073	\$3,902,476

Note: CCIP balance excludes demand depository accounts which are referenced in the CCIP allocation and MV chart below.

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The Comprehensive Cash & Investment Pool. The CCIP is a pooled investment fund redesigned by the Board in December 2020 for the collective investment of institutional funds of the University System operating funds, non-operating funds, and other funds.

Set forth below is the asset allocation of the CCIP as of August 31, 2023. Currently, ASU and Midwestern State University hold funds outside of the CCIP that are not included in the market values below.

**Asset Allocation for the Comprehensive Cash & Investment Pool**

**(in Thousands)**

Description	Allocation Percentage	Market Value
Cash Segment:		
Depository Accounts	6.48%	\$128,218
Gov't Investment Pools	6.07%	\$120,112
<b>Total Cash Segment</b>	<b>12.55%</b>	<b>\$248,330</b>
Contingency Segment:		
U.S. Agency Securities	14.37%	\$284,164
U.S. Municipal Securities	10.18%	\$201,382
U.S. Treasury Securities	3.28%	\$64,899
<b>Total Contingency Segment</b>	<b>27.83%</b>	<b>\$550,445</b>
Noncurrent Segment:		
Public Equities	31.50%	\$623,093
Public Credit	13.57%	\$268,434
Diversifying Assets	2.82%	\$55,864
Private Credit	8.59%	\$169,966
Money Market Funds	3.14%	\$62,024
<b>Total Noncurrent Segment</b>	<b>59.62%</b>	<b>\$1,179,381</b>
<b>CCIP Total</b>	<b>100.00%</b>	<b>\$1,978,055</b>

Note: These values do not included assets held in the LTIF or funds held outside of the CCIP by Midwestern State University, ASU, and the Carr Foundation.

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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 Chief Investment Officer. 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 CCIP 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 may be pledged.

Set forth below is the asset allocation of the LTIF managed by the Board as of August 31, 2023.

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

Description	Allocation Percentage	Market Value
Public Equities	34.30%	\$552,583
Private Equities	20.94%	\$337,370
Private Diversifying	3.53%	\$56,812
<b>Growth</b>	<b>58.76%</b>	<b>\$946,765</b>
Public Diversifying	12.36%	\$199,147
Private Credit	13.13%	\$211,579
Public Credit	10.48%	\$168,805
Liquidating	0.78%	\$12,573
Money Market Net Collateral	2.53%	\$40,732
Cash	1.96%	\$31,641
<b>Stable Value</b>	<b>41.24%</b>	<b>\$644,477</b>
<b>Total</b>	<b>100.00%</b>	<b>\$1,611,242</b>

Note: These values do not included assets held in the CCIP or funds held outside of the LTIF by Midwestern State University, ASU, and the Carr Foundation.

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

Description	Allocation Percentage	Market Value
<i>Midwestern State</i>		
Cash and Cash Equivalents	100.00%	\$12,937
<b>Total</b>	<b>100.00%</b>	<b>\$12,937</b>
<i>ASU &amp; CARR Foundation</i>		
Mineral Rights	74.51%	\$18,768
Cash and Cash Equivalents	25.49%	\$50,429
<b>Total</b>	<b>100.00%</b>	<b>\$69,197</b>

Note: ASU was added to the University System on September 1, 2007. A portion of its assets, and those of its related Carr Foundation, lie outside of the LTIF and are included here as managed investments. Midwestern State University was added to the University System on September 1, 2021. A portion of its assets lie outside of the CCIP and LTIF and are included here as money market fund 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' Commonfund Study of Endowments Report).

<b>Board Managed and Third-Party Managed - Market Value of Endowments (in Thousands)</b>				
<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$1,316,660	\$1,284,698	\$1,532,241	\$1,712,162	\$1,715,597

Note: Endowment reporting for 2019-2020 does not include Midwestern State University which was reported independently.

(End)