

The State of the System

PRESENTATION TO THE
CHANCELLOR'S CENTURY COUNCIL ANNUAL MEETING



System Response to COVID-19

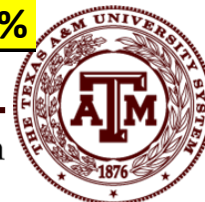
- Like most of the country, our System has faced major challenges over the last three years.
- First, there was the COVID pandemic and its impact on the Universities and Agencies.
- Second, and more recently, we have faced a period of high inflation, supply chain disruptions and the potential for a national recession.
- The System has weathered these challenges—and others, and our overall financial position is strong and the outlook is positive, regardless of the economic outlook.



System Spending in 2022

Last year's budget was a record, driven by pandemic aid, the System's role in statewide response programs run by TDEM and new legislative appropriations for construction and other programs.

EXPENDITURES	Budget	Actuals	% of Budget
Salaries - Faculty	\$ 923,380	\$ 877,173	95.0%
Salaries - Non-Faculty	1,121,246	1,109,737	99.0%
Wages	164,786	181,988	110.4%
Benefits	578,300	583,900	101.0%
Personnel Costs	2,787,713	2,752,798	98.7%
Utilities	128,055	121,833	95.1%
Scholarships	715,700	734,196	102.6%
Equipment	118,664	125,877	106.1%
Operations and Maintenance	5,677,876	5,618,295	99.0%
Debt Service	501,755	482,847	96.2%
Discounts (accounting elimination entry)	(358,085)	(381,665)	106.6%
TOTAL EXPENDITURES	\$ 9,571,678	\$ 9,454,182	98.8%



This Year

This year's budget is more in line with historical trends. We reported to the Board of Regents in February that budget spending this year is on target, with no major fiscal issues.

EXPENDITURES	Budget
Salaries - Faculty	\$ 951,387
Salaries - Non-Faculty	1,163,873
Wages	163,155
Benefits	614,708
Personnel Costs	2,893,123
Utilities	129,197
Scholarships	673,542
Equipment	107,331
Operations and Maintenance	3,210,624
Debt Service	592,263
Discounts (accounting elimination entry)	(388,053)
TOTAL EXPENDITURES	\$ 7,218,028



Financial Assessment

- Our Composite Financial Index, which measures several major indicators of financial health, remains strong, though lower than last year.
- Our Bond Ratings are outstanding: AAA, AAA, Aaa ratings from Standard & Poor's, Fitch, and Moody's, respectively.
- We expect to have another good legislative session this year.
- We expect to be in a strong fiscal position for the new two-year budget period beginning September 1.



The System Continues to Innovate



- The System continues to look for new ways to better educate Texans, provide services to people across the state and contribute to the state economy.
- We are building new education and research centers and moving into new areas of research and innovation.
- We have spent the past year developing new ways to improve the affordability of a college education.
- The Texas A&M System has proven that it can be both financially responsible and bold in moving into new areas of education, research and service to the state.