



2025-2026 OPERATING & CAPITAL BUDGET

2026 BUDGET SUMMARY



Average daily census from 409.7 in 2025 to 427.0 in 2026



\$954M in net patient revenue



Property tax revenue of \$35M at the proposed tax rate of \$0.0996600



\$1.1B in operating expenses



Budgeted net income of \$40.9M with 1.3% operating margin



Capital investments of \$87M, including \$50M in equipment and \$38M in expansion/facilities



Ending cash balance of \$391M



Unfunded care of \$106M and TTU School of Medicine Support of \$110M

PROPOSED BUDGET SUMMARY

(DOLLARS IN THOUSANDS)

	2024 ACTUAL	2025 ORIGINAL	2025 REVISED	2026 BUDGET
Net Patient Revenue	\$801,400	\$883,627	\$893,255	\$954,484
Other Operating Revenue	12,603	12,666	14,428	13,308
Property Tax Revenue	35,819	36,650	34,968	36,192
Supplemental Funding	1119,947	109,413	110,644	110,644
Total Operating Revenue	969,769	1,042,357	1,053,295	1,114,628

Less Operating Expense	969,853	1,030,359	1,031,381	1,100,339
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Operating Income	-84	11,998	21,914	14,289
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Investment Income	30,839	25,358	27,505	24,418
Nonoperating Revenue	6,828	1,278	2,093	2,174
REVENUE OVER EXPENSE	\$37,583	\$38,634	\$51,512	\$40,881

Operating Margin	0.0%	1.2%	2.1%	1.3%
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Capital Equipment	36,953	79,406	76,107	49,534
Capital Expansion	63,795	62,601	97,405	37,637
TOTAL CAPITAL OUTLAY	\$100,748	\$142,007	\$173,512	\$87,170

CASH BALANCE	\$427,257	\$390,839	\$362,804	\$391,126
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	2024 ADOPTED	2025 PROPOSED
Tax Rate	\$0.0996790	\$0.0996600



INCOME STATEMENT BY EXPENSE CATEGORY

(DOLLARS IN THOUSANDS)

	2024 ACTUAL	2025 BUDGET	2025 REVISED BUDGET	2025 BUDGET CHG %	2026 BUDGET	2026 BUDGET CHG %
Revenue						
Net Patient Revenue						
Hospital	\$735,197	\$811,119	\$823,596	1.5%	\$882,593	7.2%
UMC Physicians	50,141	54,359	51,478	(5.3%)	52,895	2.8%
EC Physicians	6,005	6,189	6,402	3.4%	6,598	3.1%
Radiology Physician Services	10,058	11,960	11,781	(1.5%)	12,397	5.2%
Other Operating Revenue	12,603	12,666	14,428	13.9%	13,308	(7.8%)
Ad Valorem Tax Revenue	35,819	36,650	34,968	(4.6%)	36,192	3.5%
Medicaid Supplemental Funding	119,947	109,413	110,644	1.1%	110,644	0.0%
Total Operating Revenue	969,769	1,042,357	1,053,295	1.0%	1,114,628	5.8%
Operating Expenses						
Payroll & Benefits	371,980	390,706	391,329	0.2%	416,158	6.3%
Professional Services	17,853	15,635	15,635	0.0%	15,812	1.1%
Supplies	192,415	218,374	214,313	(1.9%)	228,841	6.8%
Purchased Services	81,406	85,927	85,672	(0.3%)	104,557	22.0%
Other Direct Expenses	43,539	42,391	43,403	2.4%	44,979	3.6%
Interest	2,863	2,285	2,285	0.0%	2,285	0.0%
Depreciation & Amortization	52,460	52,625	53,547	1.8%	54,611	2.0%
TTUHSC/Other Physicians	107,726	117,065	121,447	3.7%	126,368	4.1%
UMC Physicians	64,330	68,341	66,699	(2.4%)	68,137	2.2%
EC Physicians	19,317	20,888	20,906	0.1%	21,784	4.2%
Radiology Physician Services	15,963	16,122	16,146	0.1%	16,807	4.1%
Total Operating Expense	969,853	1,030,359	1,031,381	0.1%	1,100,339	6.7%
Operating Income	-84	11,998	21,914	82.7%	14,289	(34.8%)
Nonoperating Revenues						
Investment Income	26,400	20,616	22,762	10.4%	19,602	(13.9%)
Investment In Joint Ventures	4,439	4,742	4,742	0.0%	4,816	1.6%
Net Nonoperating Income	898	1,278	2,093	63.8%	2,174	3.8%
Regional Healthcare Partnership Funding	5,931	0	0	0%	0	0%
Total Nonoperating Revenue	37,668	26,636	29,598	11.1%	26,592	(10.2%)
REVENUE OVER EXPENSE	\$37,583	\$38,634	\$51,512	33.3%	\$40,881	(20.6%)



INCOME STATEMENT BY EXPENSE AREA

(DOLLARS IN THOUSANDS)

	2024 ACTUAL	2025 BUDGET	2025 REVISED BUDGET	2025 BUDGET CHG %	2026 BUDGET	2026 BUDGET CHG %
Revenue						
Net Patient Revenue						
Hospital	\$735,197	\$811,119	\$823,596	1.5%	\$882,593	7.2%
UMC Physicians	50,141	54,359	51,478	(5.3%)	52,895	2.8%
EC Physicians	6,005	6,189	6,402	3.4%	6,598	3.1%
Radiology Physician Services	10,058	11,960	11,781	(1.5%)	12,397	5.2%
Other Operating Revenue	12,603	12,666	14,428	13.9%	13,308	(7.8%)
Ad Valorem Tax Revenue	35,819	36,650	34,968	(4.6%)	36,192	3.5%
Medicaid Supplemental Funding	119,947	109,413	110,644	1.1%	110,644	0.0%
Total Operating Revenue	969,769	1,042,357	1,053,295	1.0%	1,114,628	5.8%
Operating Expenses						
Nursing Services	152,866	159,558	161,946	1.5%	173,559	7.2%
Clinical Ancillary Services	357,930	379,192	376,416	(0.7%)	397,022	5.5%
Physician Practice	5,174	6,308	6,642	5.3%	6,883	3.6%
UMC Physicians	64,330	68,341	66,699	(2.4%)	68,137	2.2%
EC Physicians	19,317	20,888	20,906	0.1%	21,784	4.2%
Radiology Physician Services	15,963	16,122	16,146	0.1%	16,807	4.1%
Support Services	46,743	48,330	48,536	0.4%	51,141	5.4%
Fiscal Services	62,190	76,353	72,278	(5.3%)	94,786	31.1%
Administrative Services	75,865	76,259	77,499	1.6%	79,654	2.8%
TTUHSC/Other Physicians	107,726	117,065	121,447	3.7%	126,368	4.1%
County Medical Services	6,426	7,033	7,033	0.0%	7,301	3.8%
Interest	2,863	2,285	2,285	0.0%	2,285	0.0%
Depreciation & Amortization	52,460	52,625	53,547	1.8%	54,611	2.0%
Total Operating Expense	969,853	1,030,359	1,031,381	0.1%	1,100,339	6.7%
Operating Income	-84	11,998	21,914	82.7%	14,289	(34.8%)
Nonoperating Revenues						
Investment Income	26,400	20,616	22,762	10.4%	19,602	(13.9%)
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Net Nonoperating Income	898	1,278	2,093	63.8%	2,174	3.8%
Regional Healthcare Partnership Funding	5,931	0	0	0%	0	0%
Total Nonoperating Revenue	37,668	26,636	29,598	11.1%	26,592	(10.2%)
REVENUE OVER EXPENSE	\$37,583	\$38,634	\$51,512	33.3%	\$40,881	(20.6%)

PROPERTY TAX CALCULATION

NO-NEW-REVENUE TAX RATE CALCULATION	
2024 Adjusted Tax Levy	\$34,188,783
2025 Adjusted Tax Base (less value of new property)	\$34,305,321,439
2025 No-New-Revenue Tax Rate	0.0996600
Tax Revenue Attributable To New Construction	\$579,047
2025 Certified Tax Roll and Levy	
Appraised Valuation (less TIF)	34,886,443,890
Proposed Tax Rate Per \$100	0.0996600
Total Tax Levy	34,767,830
Percent of Current Collection	100%
Estimated Current Tax Collections	\$34,767,830
Summary of Tax Collections	
Current Tax	34,767,830
Penalty and Interest	200,000
TOTAL 2025 TAX COLLECTIONS	\$34,967,830

ESTIMATED TAX COLLECTIONS AT RATE LEVELS	% CHG TO NNR RATE	TAX RATE	REVENUE ON 2025 PROPERTY	CHG IN REVENUE FROM RATE
2024 Adopted Tax Rate	0.02%	0.0996790	\$34,774,458	\$6.628
2025 No-New-Revenue Tax Rate	0.0%	0.0996600	34,767,830	0
1% Increase	1.0%	0.1006566	35,115,508	347,678
2% Increase	2.0%	0.1016532	35,463,187	695,357
3% Increase	3.0%	0.1026498	35,810,865	1,043,035
4% Increase	4.0%	0.1036464	36,158,543	1,390,713
5% Increase	5.0%	0.1046430	36,506,221	1,738,391
6% Increase	6.0%	0.1056396	36,853,900	2,086,070
7% Increase	7.0%	0.1066362	37,201,578	2,433,748
2025 Voter-Approval Rate	8.0%	0.1075580	37,523,161	2,755,331