

BUDGET PRESENTATION

**Fall Faculty Assembly and Faculty Senate Meeting
November 15, 2023**

Raymond Bartlett

Senior Vice Chancellor for Administration and Finance, UHS
Senior Vice President for Administration and Finance, UH

Diane Chase

Senior Vice Chancellor for Academic Affairs, UHS
Senior Vice President for Academic Affairs and Provost, UH



Overview of Topics

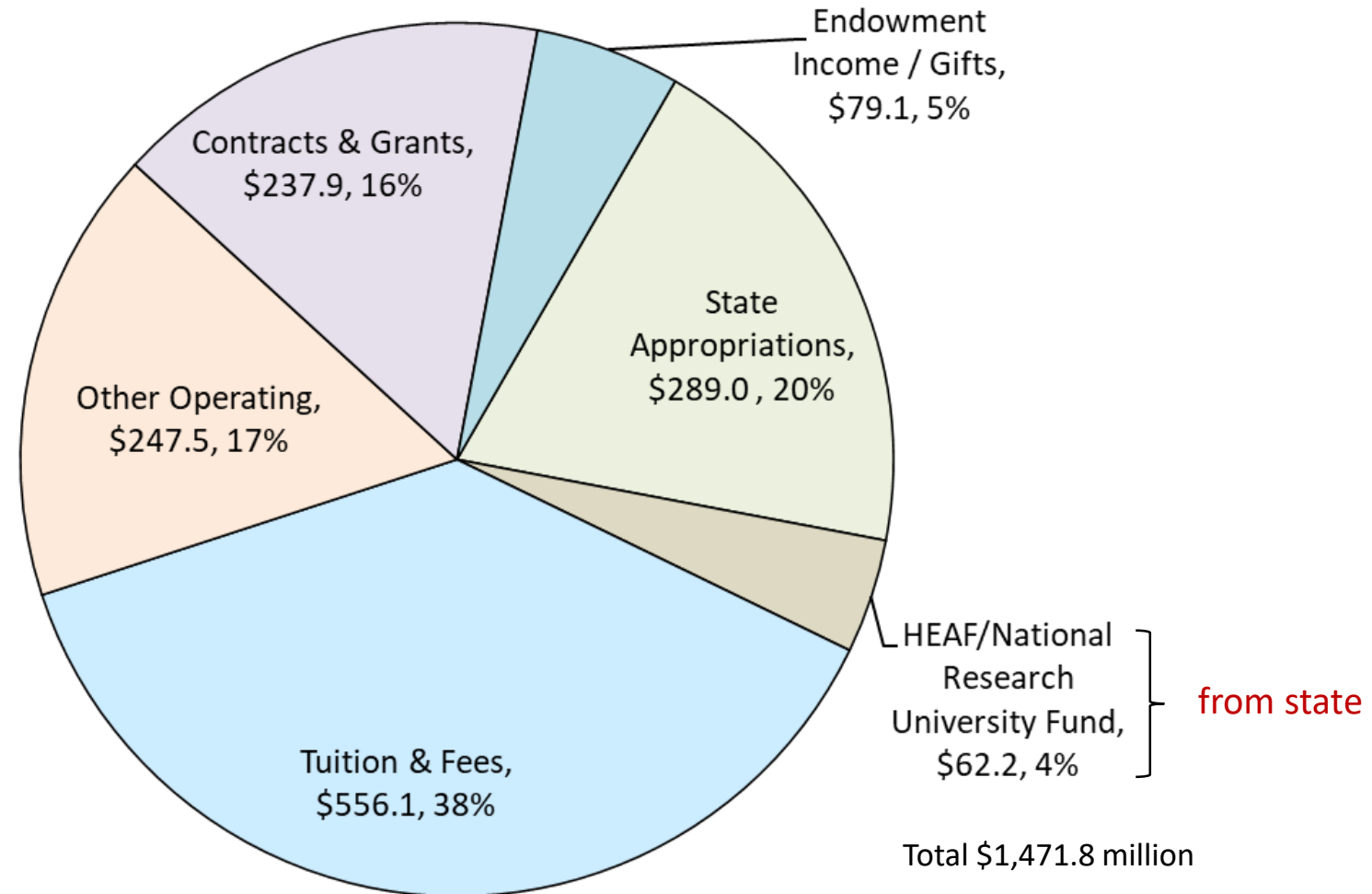
- Common fund groups
- Sources of funding that make up the university's budget
- FY 2024 state funding
- Mechanisms to increase the budget

University of Houston Fund Groups

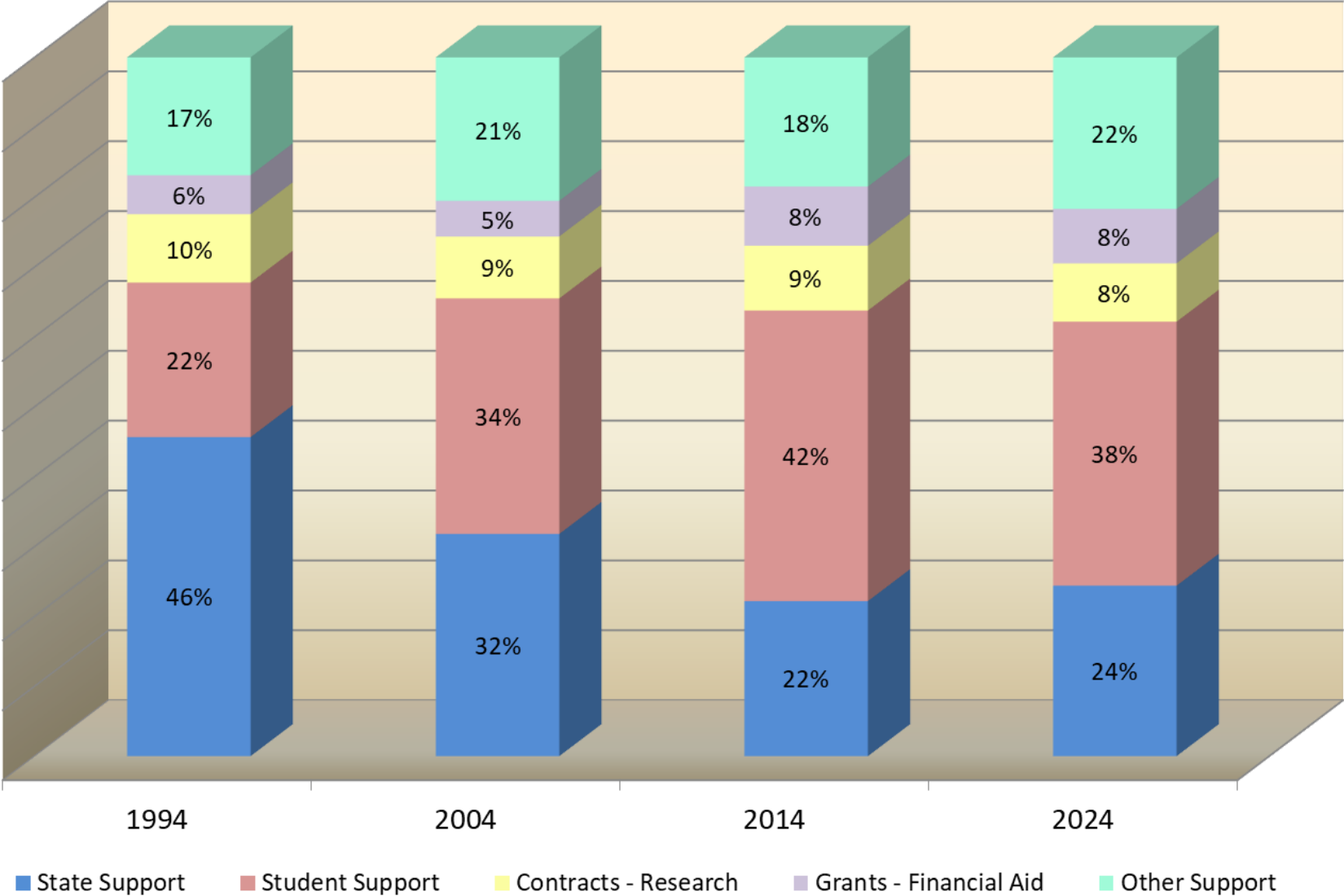
- **Operating Funds** General operations although many funds are restricted.
- **Endowment Funds** Permanent funds established by donors with income distribution available for scholarships, etc.
Restricted
- **Plant Funds** Construction and Renovation.
Not available for current operations.

University of Houston Budgeted Sources of Revenue by Category – FY2024

(\$ in Millions)

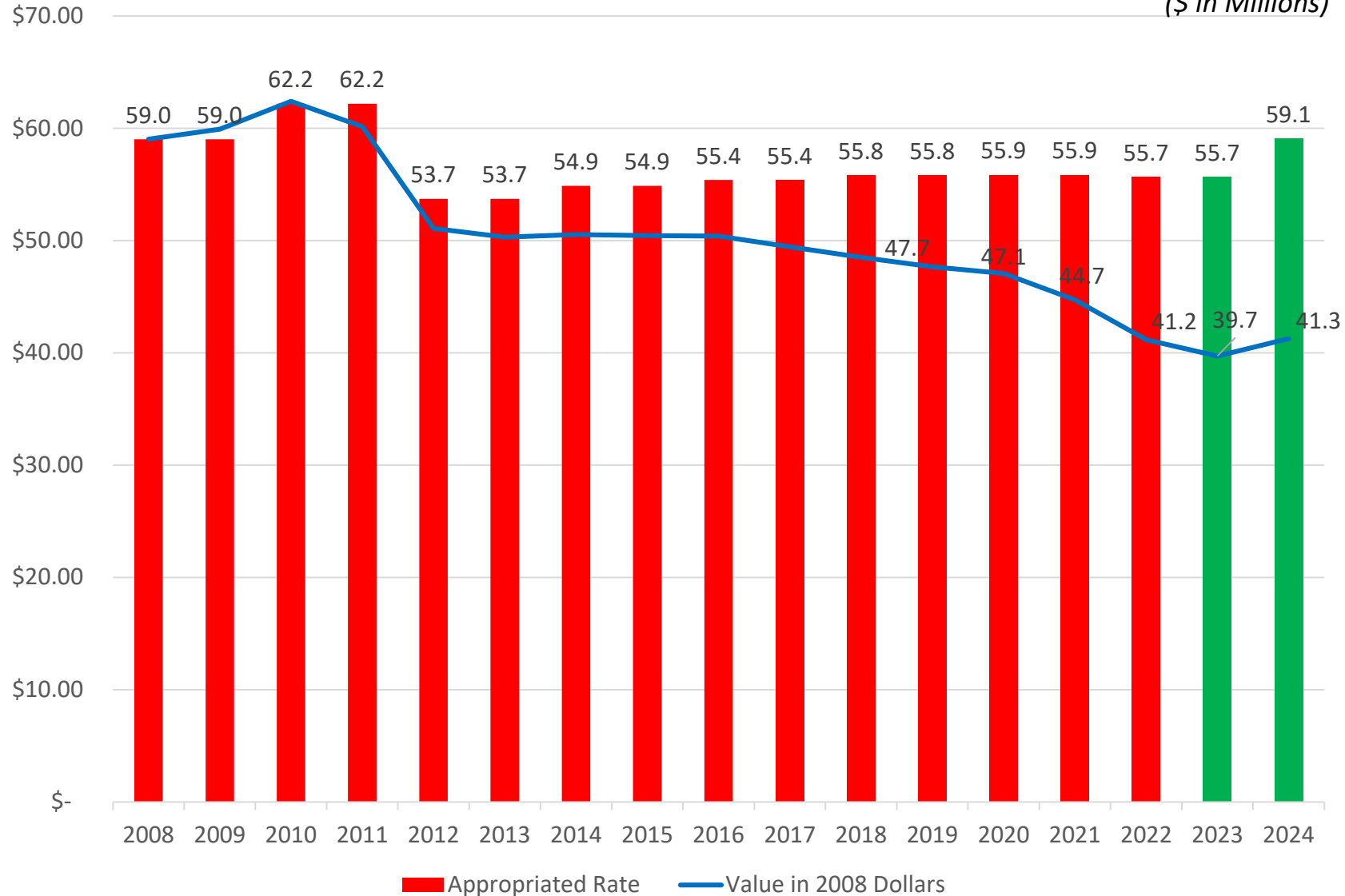


University of Houston Operating Budget



Legislative Funding: Instruction & Operations Formula FY2008 to FY2024 Rate per Weighted Credit Hour

(\$ in Millions)

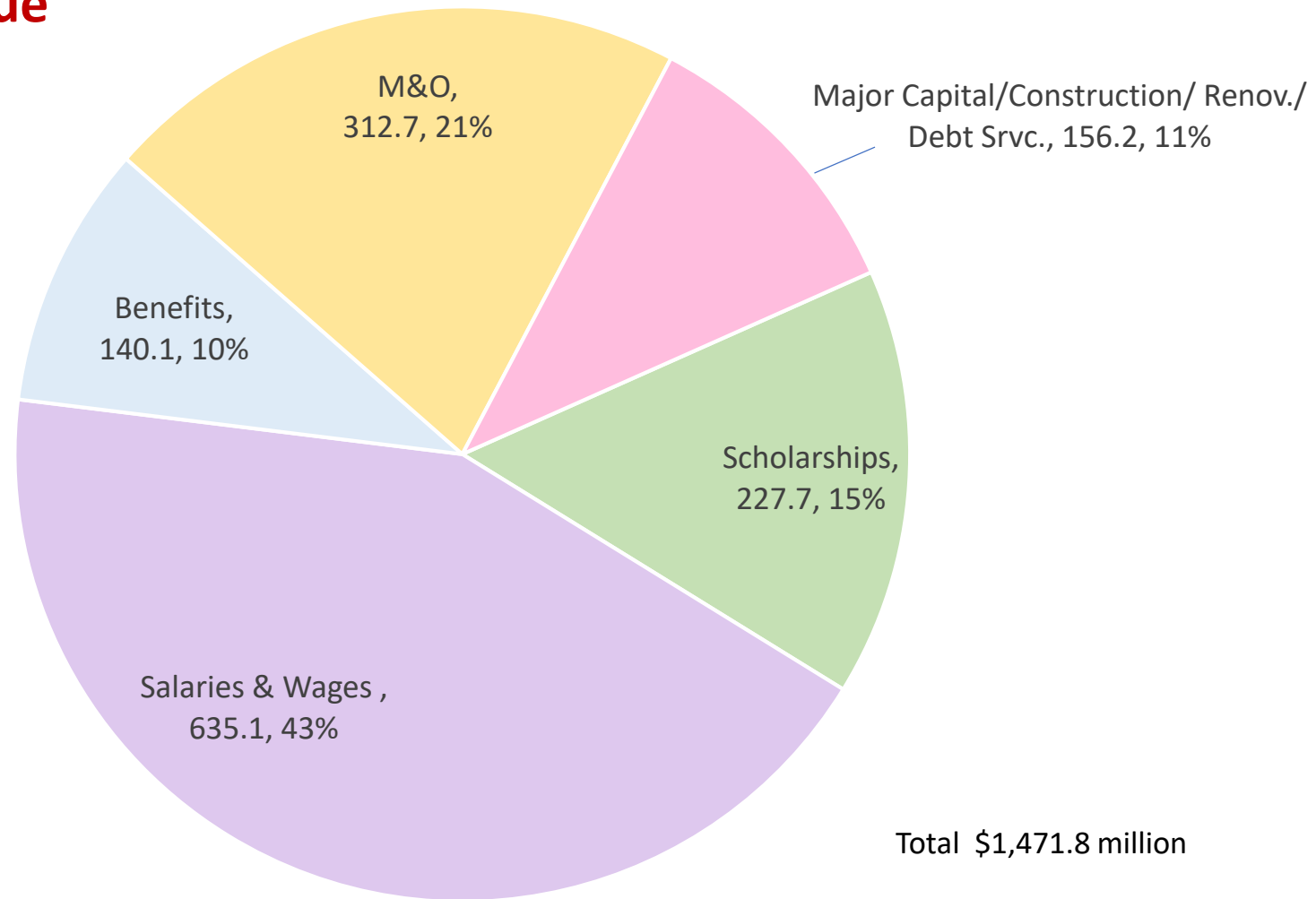


FY24 Central Budget Development Considerations

- Retaining and recruiting talent
- Enrollment trend
 - 24,956 sch decline in FY23 led to a \$4.5M tuition revenue loss relative to budget
- Legislative session
 - Affordability plan
 - Texas University Fund
- No tuition increases

University of Houston Budgeted Uses of Revenue by Object – FY24

(\$ in Millions)

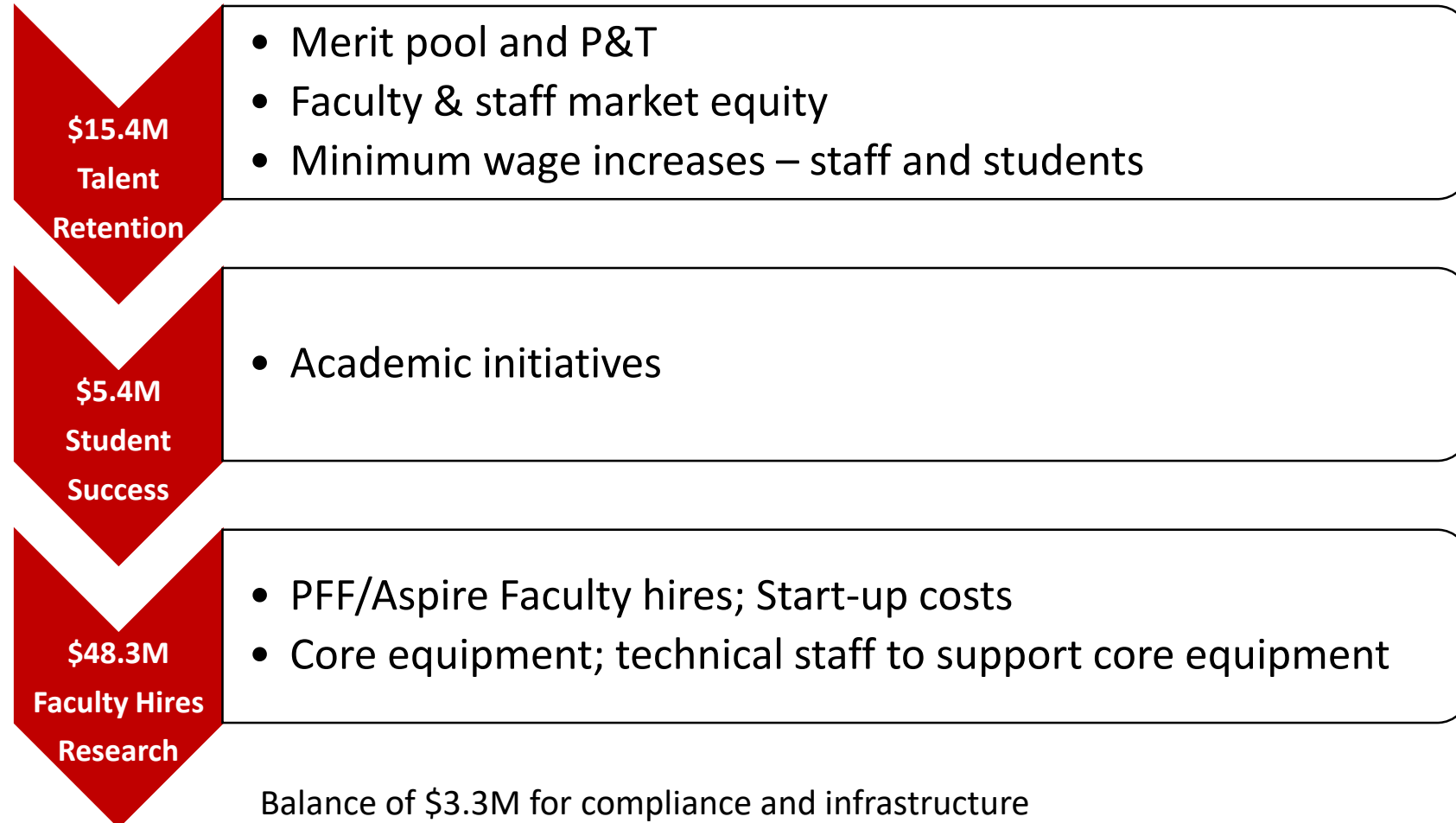


Sources of FY24 Funds

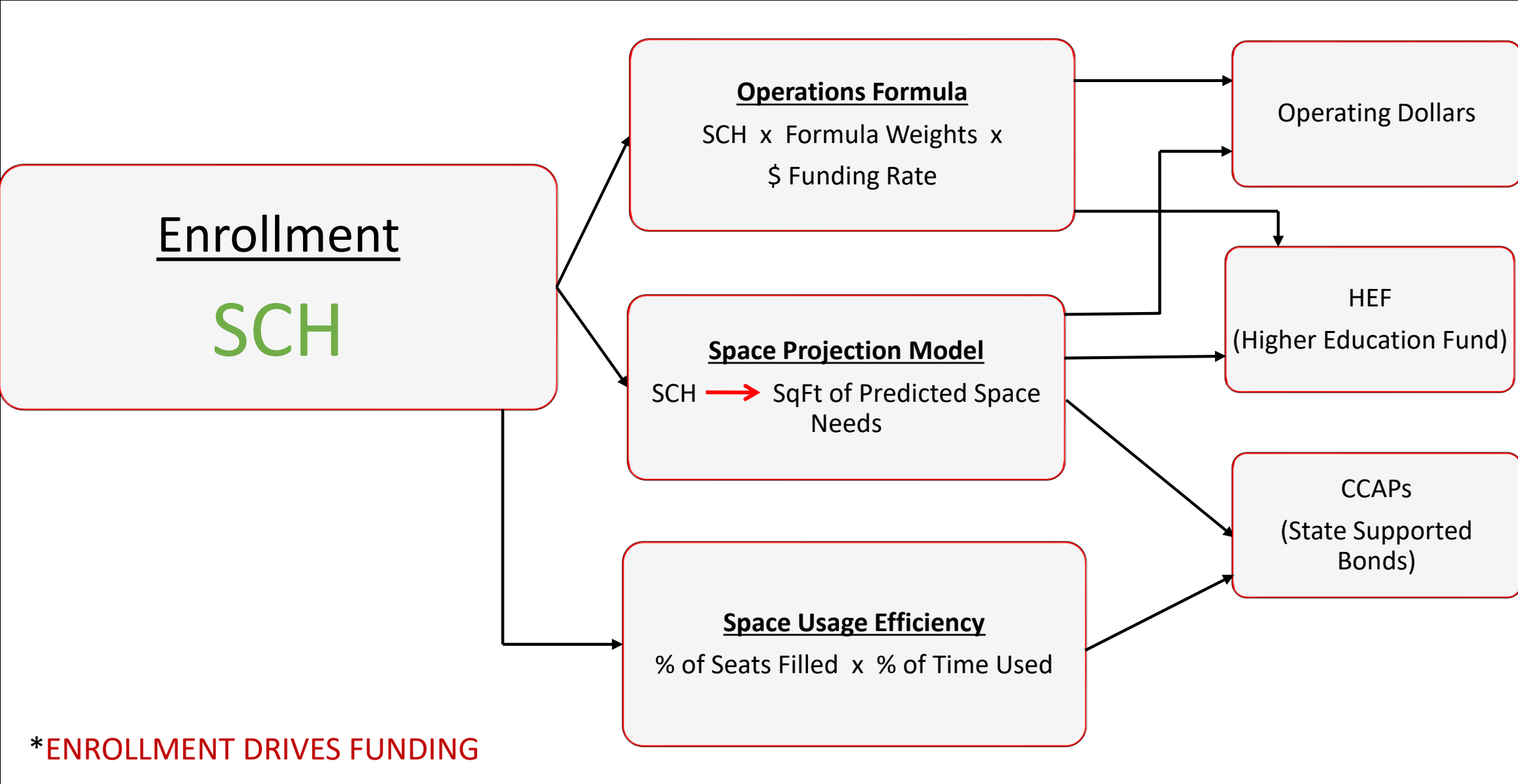
Source	Amount
General Revenue	\$32.3
Texas University Fund ⁽¹⁾ (TUF)	\$30.5
Reallocations	\$ 7.4
Tuition and Fees	<u>\$ 2.2</u>
Total	\$72.4

(1) Net of \$17.8M loss of NRUF and Core Research Support Funds

Allocation of FY24 New Funds



Understanding State Funding



Biennial Weighted SCH Generated: Select Texas Universities

2022-23	2024-25	Difference	Variance
39,588,380	39,098,306	(490,074)	-1.2%

	2022-23	2024-25	Difference	Variance
University of Houston	3,053,884	2,817,113	(236,771)	-7.8%
UT Arlington	2,372,046	2,278,978	(93,069)	-3.9%
UT Austin	4,019,686	3,976,869	(42,818)	-1.1%
UT Dallas	2,116,894	2,358,317	241,423	11.4%
UT El Paso	1,249,510	1,198,320	(51,190)	-4.1%
UT San Antonio	1,893,499	1,763,614	(129,885)	-6.9%
Texas A&M University	5,445,467	5,353,583	(91,884)	-1.7%
University of North Texas	2,328,009	2,651,769	323,761	13.9%
Texas Tech University	2,642,608	2,829,586	186,978	7.1%
Texas State University	1,714,013	1,658,374	(55,639)	-3.2%

Change in Contribution to Statewide Weighted SCH: Select Texas Universities

	2022-23	2024-25
University of Houston	7.7%	7.2%
UT Arlington	6.0%	5.8%
UT Austin	10.2%	10.2%
UT Dallas	5.3%	6.0%
UT El Paso	3.2%	3.1%
UT San Antonio	4.8%	4.5%
Texas A&M University	13.8%	13.7%
University of North Texas	5.9%	6.8%
Texas Tech University	6.7%	7.2%
Texas State University	4.3%	4.2%

Resulted in \$8.5M reduction in state funding in FY24

Note: State formula funding is recalculated each biennium.

Leading into FY2025 Budget Cycle

- Undergraduate tuition and academic fees frozen
- No new general revenue from the state
- Any new revenue must come from:
 - SCH growth
 - Graduate tuition increase
- Currently known FY25 funding need: ***\$15 million***
 - Second half of faculty and staff market adjustments
 - Merit raises (if approved)

Strategic Enrollment Planning: Sources of Growth

- Retain continuing students
- Recover stop-outs
- Increase hours taken per semester
- Increase new students

Strategic Enrollment Planning: Potential Growth Strategies

Recruiting and Admission

- Expand outreach and recruiting
- Increase yield of admitted students

Degree Programs

- New program proposals
- Flexible delivery and credits

Partnerships

- High schools and community colleges
- Local businesses

Student Progress and Performance

- Reduce high DWIF rates
- Strategic scheduling

Student Engagement

- Residential learning communities
- Connections to college and campus

Impact of Growth on Revenue

- 1% increase in SCH growth approximates \$3.5M
 - Whether from new enrollment or retention
- Positive impact on state formula funding
 - Operating dollars
 - Maintenance dollars

Questions?