



February 26th, 1995.

Dr. E. Whalen
Vice-Chancellor for Finance and Administration,
University of Houston System Administration,
Houston, Tx.

RECEIVED

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FACULTY SENATE

Dear Dr. Whalen:

First I have tried to be very careful not to allege that any HEAF funds have been illegally used by the UHSA. I certainly hope that all HEAF funds have been used in accordance with state laws. Nevertheless, a review of the accounts leads to a number of serious questions about their recent distribution and expenditure. The UH Faculty Senate is very concerned about the situation and, as a result passed the attached resolution at the last Faculty Senate meeting. We look forward, with interest, to UHSA's response.

The System Administration is taking a hefty chunk of the UH System's HEAF funds, despite the fact that it does not generate any of this money. It is spending HEAF funds on itself at the expense of what most of the public, and the legislature, would probably regard as better and more appropriate uses. There is clear evidence that UH faculty and students have been seriously short-changed in the allocations of HEAF funds over the past six years while Dr Schilt has been Chancellor. This needs to be changed and I trust that new policies will be developed which ensure that UH receives its proper share of these funds .

Is there any public document describing the University of Houston's policy on, and priorities for, the use of HEAF funds? If so, would you kindly provide us with a copy? If not, shouldn't there be, and have been, one? Also before approving these budgets and expenditures was the UH Board of Regents informed

- (i) that the UHSA does not generate any HEAF funds,
- (ii) what alternative uses of these funds were suggested and how priorities were determined, and
- (iii) that UH was being substantially shorted on HEAF funds?

While I can appreciate your new-found concern about the possible ill-effects of publicity about UHSA expenditures, the natural response is where were these concerns when the allocations were being determined? Those of us who have

looked at the recent effect of UHSA's control of HEAF funds certainly will not accept responsibility for the consequences of your actions. This is a public university and you must expect, and even invite, public scrutiny of your use of tax monies.

As I said at the Regents' meeting there is a clear need for the Board to establish clear and open procedures for determining priorities and allocations of these HEAF funds so as to ensure that these funds are used in the "highest and best" possible manner and in ways that reflect well on our university and its aspirations. When there are such procedures, there will no longer be any need for concern about possible, correct, public knowledge of how the UH System spends these funds.

Sincerely yours,

A handwritten signature in cursive script that reads "Giles Auchmuty".

Giles Auchmuty
Chair, Faculty Senate Budget Committee

cc: W.R. Morian, A.F. Schilt,
G.F. Paskusz, J. Pickering, A. Szilagyi,
HEAF Subcommittee, Faculty Senate.



University of Houston Faculty Senate
Resolution on Use of HEAF Money by
University of Houston System Administration

The Faculty Senate requests a detailed explanation of the University of Houston System Administration's expenditures of HEAF money for Maintenance and Operation (M&O) along with an indication of the legality of such expenditures.

FSR95: S-1

Introduced by: Sen. Robert Palmer

Senate Date: February 15, 1995

Outcome: Approved by unanimous vote

Status: Sent to Chancellor Alexander F. Schilt

A handwritten signature in black ink, appearing to read 'Jerry Paskusz', written over a horizontal line.

Jerry Paskusz

President

University of Houston Faculty Senate

A handwritten date '28 Feb 95' written in black ink over a horizontal line.

28 Feb 95
Date